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BUDGET ESTIMATES

FOR THE

UNITED STATES
DEPARTMENT OF AGRICULTURE

FOR THE FISCAL YEAR ENDING
SEPTEMBER 30, 1988

PROCUREMENT SECTION
GENERAL STAFF RECORD

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A SEPARATE FROM THE BUDGET OF
THE UNITED STATES GOVERNMENT

1988

BUDGET ESTIMATES

FOR THE

UNITED STATES DEPARTMENT OF AGRICULTURE

FOR THE FISCAL YEAR ENDING
SEPTEMBER 30, 1988

A Separate from the Budget of the United States Government
1988



U.S. GOVERNMENT PRINTING OFFICE
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Part 4

BUDGET BY AGENCY AND ACCOUNT

EXPLANATORY NOTE

This tabulation contains information on budget authority (BA), outlays (O), and subfunctional code number(s) for each appropriation and fund account. Budget authority amounts reflect transfers of budget authority between appropriations. All budget authority items are definite appropriations except where otherwise indicated.

In accordance with section 1405 of the Department of Defense Authorization Act, 1986 (Public Law 99-145), a two-year budget for the Department of Defense and related agencies is included in the 1988 Budget. To accommodate this change, this tabulation includes a fourth column showing data for 1989 for all accounts. A footnote identifies the amounts that represent multi-year appropriations requests; the other amounts for 1989 are planning estimates.

Section 214 of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) requires that Federal Financing Bank (FFB) transactions on behalf of a Federal agency be treated as a means of financing such agency. The agency program accounts now include FFB transactions without separate identification.

In addition, this tabulation reflects the effects of sequestration of 1986 budgetary resources required by Public Law 99-177 without separate identification.

Congressional action in the appropriation process occasionally takes the form of a limitation on the use of a trust fund or other fund, or of an appropriation to liquidate contract authority. Amounts for such items, which do not affect budget authority, are included here in parentheses and identified in the stub column, but are not included in the totals.

BUDGET BY AGENCY AND ACCOUNT (in thousands of dollars)—Continued

Account and functional code		1986 actual	1987 estimate	1988 estimate	1989 estimate
Funds Appropriated to the President—Con.					
Special Assistance for Central America—Con.					
Promotion of security and stability in Central America	153				
Outlays.....	0		2,000		
Humanitarian assistance for Nicaraguan democratic resistance	151				
Outlays.....	0	26,821	179		
Total Federal funds Special Assistance for Central America.....	BA			105,000	110,000
	O	26,821	102,179	105,000	110,000
Summary					
Federal funds:					
(As shown in detail above).....	BA	15,079,342	13,329,810	14,086,951	13,955,371
	O	13,380,566	12,451,702	12,202,762	14,442,518
Deductions for offsetting receipts:					
Proprietary receipts from the public	151 BA	—414,019	—452,140	—451,145	—452,472
	O				
	152 BA	—58,172	—76,400	—111,000	—135,700
	O				
	908 BA	—519,504	—591,763	—666,299	—695,391
	O				
Total Federal funds.....	BA	14,087,647	12,209,507	12,858,507	12,671,808
	O	12,388,871	11,331,399	10,974,318	13,158,955
Trust funds:					
(As shown in detail above).....	BA	7,695,396	9,341,361	9,142,365	8,567,365
	O	9,716,560	9,427,303	9,101,350	9,120,350
Deductions for offsetting receipts:					
Proprietary receipts from the public	151 BA	—2,901	—15,000	—5,000	—5,000
	O				
	155 BA	—10,725,341	—8,914,000	—8,896,000	—9,015,000
	O				
Total Trust funds.....	BA	—3,032,846	412,361	241,365	—452,635
	O	—1,011,682	498,303	200,350	100,350
Total Funds Appropriated to the President.....	BA	11,054,801	12,621,868	13,099,872	12,219,173
	O	11,377,189	11,829,702	11,174,668	13,259,305

Department of Agriculture**Office of the Secretary***Federal funds***General and Special Funds:**

Office of the Secretary	352				
Appropriation, current.....	BA	5,374	5,081	5,903	5,949
			185		
Outlays.....	O	5,692	5,262	5,898	5,949
Total Office of the Secretary.....	BA	5,374	5,266	5,903	5,949
	O	5,692	5,262	5,898	5,949

See footnotes at end of table.

BUDGET BY AGENCY AND ACCOUNT (in thousands of dollars)—Continued

Account and functional code		1986 actual	1987 estimate	1988 estimate	1989 estimate
Department of Agriculture—Con.					
Office of the Secretary—Con.					
<i>Trust funds</i>					
Gifts and bequests	352				
Appropriation, permanent, indefinite.....	BA	18	101	101	101
Outlays.....	O	—5	101	101	101
Departmental Administration					
<i>Federal funds</i>					
General and Special Funds:					
Departmental administration	352				
Appropriation, current.....	BA	18,350	21,227 6,999	40,239	40,521
Outlays.....	O	24,540	22,226	40,239	40,521
Total Departmental administration.....	BA	18,350	22,226	40,239	40,521
	O	24,540	22,226	40,239	40,521
Rental payments and building operations	352				
Appropriation, current.....	BA	65,660	66,767	78,076	74,899
Outlays.....	O	63,444	66,769	78,076	74,899
Advisory committees	352				
Appropriation, current.....	BA	1,258	1,308	1,308	1,308
Outlays.....	O	763	1,308	1,308	1,308
Intragovernmental Funds:					
Working capital fund	352				
Appropriation, current.....	BA	5,964	5,708	6,000	6,000
Outlays.....	O	4,487	5,708	6,000	6,000
Total Federal funds Departmental Administra- tion.....	BA	91,232	96,009	125,623	122,728
	O	93,234	96,011	125,623	122,728
Office of Governmental and Public Affairs					
<i>Federal funds</i>					
General and Special Funds:					
Office of Governmental and Public Affairs	352				
Appropriation, current.....	BA	7,343	8,198 6,250	8,796	8,858
Outlays.....	O	7,485	8,287	8,789	8,858
Total Office of Governmental and Public Af- fairs.....	BA	7,343	8,448	8,796	8,858
	O	7,485	8,287	8,789	8,858
Office of the Inspector General					
<i>Federal funds</i>					
General and Special Funds:					
Office of the Inspector General	352				
Appropriation, current.....	BA	44,496	44,461 6,622	50,418	50,740
Outlays.....	O	43,054	45,844	50,418	50,740
Total Office of the Inspector General.....	BA	44,496	45,083	50,418	50,740
	O	43,054	45,844	50,418	50,740

See footnotes at end of table.

BUDGET BY AGENCY AND ACCOUNT (in thousands of dollars)—Continued

Account and functional code		1986 actual	1987 estimate	1988 estimate	1989 estimate
Department of Agriculture—Con.					
Office of the General Counsel					
<i>Federal funds</i>					
General and Special Funds:					
Office of the General Counsel	352				
Appropriation, current	BA	15,095	17,131	19,903	20,053
			^G 614		
Outlays	O	14,859	17,567	19,703	20,053
Total Office of the General Counsel	BA	15,095	17,745	19,903	20,053
	O	14,859	17,567	19,703	20,053
Agricultural Research Service					
<i>Federal funds</i>					
General and Special Funds:					
Agricultural Research Service	352				
Appropriation, current	BA	478,372	499,664	537,114	539,693
			^G 12,546		
Outlays	O	484,032	509,713	^J — 500	^J — 500
				531,628	541,864
				^J — 500	^J — 500
Total Agricultural Research Service	BA	478,372	512,210	536,614	539,193
	O	484,032	509,713	531,128	541,364
Buildings and facilities					
Appropriation, current	BA	6,041	37,400	1,000	
			^H — 28,000		
Outlays	O	13,857	43,405	61,440	17,560
			^H — 11,000	^H — 17,000	
Total Buildings and facilities	BA	6,041	9,400	1,000	
	O	13,857	32,405	44,440	17,560
<i>Trust funds</i>					
Miscellaneous contributed funds					
Appropriation, permanent, indefinite	BA	4,849	5,000	5,000	5,000
Outlays	O	2,676	5,000	5,000	5,000
Total Federal funds Agricultural Research Service	BA	484,413	521,610	537,614	539,193
	O	497,889	542,118	575,568	558,924
Total Trust funds Agricultural Research Service	BA	4,849	5,000	5,000	5,000
	O	2,676	5,000	5,000	5,000
Cooperative State Research Service					
<i>Federal funds</i>					
General and Special Funds:					
Cooperative State Research Service	352				
Appropriation, current	BA	282,652	305,073	240,270	240,328
Appropriation, permanent	BA	2,800	2,800		
Outlays	O	260,269	285,275	298,910	278,421
Total Cooperative State Research Service	BA	285,452	307,873	240,270	240,328
	O	260,269	285,275	298,910	278,421

See footnotes at end of table.

BUDGET BY AGENCY AND ACCOUNT (in thousands of dollars)—Continued

Account and functional code		1986 actual	1987 estimate	1988 estimate	1989 estimate
Department of Agriculture—Con.					
Extension Service					
<i>Federal funds</i>					
General and Special Funds:					
Extension Service	352				
Appropriation, current	BA	328,009	332,172	262,587	262,646
Outlays	O	339,956	331,502	273,790	262,637
National Agricultural Library					
<i>Federal funds</i>					
General and Special Funds:					
National Agricultural Library	352				
Appropriation, current	BA	10,787	10,936 C 162	12,356	12,408
Outlays	O	11,467	10,838	11,985	12,441
Total National Agricultural Library	BA	10,787	11,098	12,356	12,408
	O	11,467	10,838	11,985	12,441
National Agricultural Statistics Service					
<i>Federal funds</i>					
General and Special Funds:					
Salaries and expenses	352				
Appropriation, current	BA	56,200	56,787 C 1,512	63,014	63,330
Outlays	O	58,257	58,016	62,258	63,171
Total Salaries and expenses	BA	56,200	58,299	63,014	63,330
	O	58,257	58,016	62,258	63,171
<i>Trust funds</i>					
Miscellaneous contributed funds	352				
Appropriation, permanent, indefinite	BA	215	150	150	150
Outlays	O	312	173	150	150
Economic Research Service					
<i>Federal funds</i>					
General and Special Funds:					
Salaries and expenses	352				
Appropriation, current	BA	44,115	43,982 C 1,395	49,045	49,356
Outlays	O	46,037	45,395	48,585	49,135
Total Salaries and expenses	BA	44,115	45,377	49,045	49,356
	O	46,037	45,395	48,585	49,135
<i>Trust funds</i>					
Miscellaneous contributed funds	352				
Appropriation, permanent, indefinite	BA	44	33	33	33
Outlays	O	47	44	33	33

See footnotes at end of table.

BUDGET BY AGENCY AND ACCOUNT (in thousands of dollars)—Continued

Account and functional code		1986 actual	1987 estimate	1988 estimate	1989 estimate
Department of Agriculture—Con.					
World Agricultural Outlook Board					
<i>Federal funds</i>					
General and Special Funds:					
World agricultural outlook board	352				
Appropriation, current	BA	1,598	1,608 G 51	1,802	1,814
Outlays	O	1,646	1,723	1,715	1,730
Total World agricultural outlook board	BA	1,598	1,659	1,802	1,814
	O	1,646	1,723	1,715	1,730
Foreign Agricultural Service					
<i>Federal funds</i>					
General and Special Funds:					
Foreign Agricultural Service	352				
Appropriation, current	BA	79,475	81,109 G 1,174	85,649	85,943
Outlays	O	90,892	82,283	85,649	85,943
Total Foreign Agricultural Service	BA	79,475	82,283	85,649	85,943
	O	90,892	82,283	85,649	85,943
Office of International Cooperation and Development					
<i>Federal funds</i>					
General and Special Funds:					
Salaries and expenses	352				
Appropriation, current	BA	5,152	5,035 G 114	3,816	4,185
Outlays	O	2,407	7,894	3,816	4,185
Total Salaries and expenses	BA	5,152	5,149	3,816	4,185
	O	2,407	7,894	3,816	4,185
Scientific activities overseas (foreign currency program)	352				
Appropriation, current	BA	2,854	2,500		
Outlays	O	6,065	6,188		
<i>Trust funds</i>					
Miscellaneous contributed funds	352				
Appropriation, permanent, indefinite	BA	2,773	5,172	5,188	5,188
Outlays	O	3,075	5,172	5,188	5,188
Total Federal funds Office of International Cooperation and Development	BA	8,006	7,649	3,816	4,185
	O	8,472	14,082	3,816	4,185
Total Trust funds Office of International Cooperation and Development	BA	2,773	5,172	5,188	5,188
	O	3,075	5,172	5,188	5,188

See footnotes at end of table.

BUDGET BY AGENCY AND ACCOUNT (in thousands of dollars)—Continued

Account and functional code		1986 actual	1987 estimate	1988 estimate	1989 estimate
Department of Agriculture—Con.					
Foreign Assistance Programs					
<i>Federal funds</i>					
General and Special Funds:					
Expenses, Public Law 480, foreign assistance programs, Agriculture	151				
Appropriation, current	BA	1,243,294	1,083,071	964,596	1,090,000
Outlays	O	1,095,324	1,083,071	1,007,000	1,090,000
Limitation on program level (obligations) (P.L. 99-177)		(1,607,760)			
Limitation on direct loan obligations (P.L. 99-177)		(905,992)			
Agricultural Stabilization and Conservation Service					
<i>Federal funds</i>					
General and Special Funds:					
Salaries and expenses	351				
Appropriation, current	BA	198			
Outlays	O	—25,421	33,360		
Rural clean water program	304				
Outlays	O	7,442	7,966	6,618 H — 340	5,734 H — 954
Total Rural clean water program	O	7,442	7,966	6,278	4,780
Agricultural conservation program	302				
Appropriation, current	BA	180,739	176,935		
Outlays	O	138,897	218,806 H — 52,670	135,522 H — 75,000	39,932 H — 3,465
Total Agricultural conservation program	BA	180,739	12,579		
	O	138,897	166,136	60,522	36,467
Colorado river basin salinity control program	304				
Appropriation, current	BA		3,804		
Outlays	O		1,902	1,902	
Conservation reserve program	302				
Appropriation, current	BA			1,388,000	2,008,000
Outlays	O			1,388,000	2,008,000
Water Bank program	302				
Appropriation, current	BA	8,371	8,371		
Outlays	O	9,338	9,379 H — 1,088	7,678 H — 838	6,616 H — 838
Total Water Bank program	BA	8,371	205		
	O	9,338	8,291	6,840	5,778
Emergency conservation program	453				
Appropriation, current	BA	5,000	10,000		
Outlays	O	7,103	15,619 H — 7,500	4,588 H — 2,500	
Total Emergency conservation program	BA	5,000			
	O	7,103	8,119	2,088	

See footnotes at end of table.

BUDGET BY AGENCY AND ACCOUNT (in thousands of dollars)—Continued

Account and functional code		1986 actual	1987 estimate	1988 estimate	1989 estimate
Department of Agriculture—Con.					
Agricultural Stabilization and Conservation Service—Con.					
Dairy indemnity program	351				
Appropriation, current	BA	9,095	95		
Outlays	0	16	9,190		
Forestry incentives program	302				
Appropriation, current	BA	11,891	11,891		
Outlays	0	11,241	13,482	8,028	3,402
Total Federal funds Agricultural Stabilization and Conservation Service	BA	215,294	28,574	1,388,000	2,008,000
	0	148,616	248,446	1,473,658	2,058,427
Federal Crop Insurance Corporation					
<i>Federal funds</i>					
General and Special Funds:					
Administrative and operating expenses	351				
Appropriation, current	BA	209,608	209,568	215,197	221,258
				✓ — 50,803	✓ — 98,205
Outlays	0	194,781	209,568	215,197	221,258
				✓ — 50,803	✓ — 98,205
Total Administrative and operating expenses	BA	209,608	209,568	164,394	123,053
	0	194,781	209,568	164,394	123,053
Public Enterprise Funds:					
Federal Crop Insurance Corporation fund	351				
Appropriation, current	BA	134,190	135,743	284,823	222,808
				✓ — 105,940	✓ — 171,793
Outlays	0	321,324	427,842	456,788	259,269
				✓ — 138,920	✓ — 171,585
Total Federal Crop Insurance Corporation fund	BA	134,190	135,743	178,883	51,015
	0	321,324	427,842	317,868	87,684
Total Federal funds Federal Crop Insurance Corporation	BA	343,798	345,311	343,277	174,068
	0	516,105	637,410	482,262	210,737

See footnotes at end of table.

BUDGET BY AGENCY AND ACCOUNT (in thousands of dollars)—Continued

Account and functional code		1986 actual	1987 estimate	1988 estimate	1989 estimate
Department of Agriculture—Con.					
Commodity Credit Corporation					
<i>Federal funds</i>					
Public Enterprise Funds:					
Commodity Credit Corporation Fund	351				
Appropriation, permanent, indefinite.....	BA	109,365	122,689	131,239	143,041
Authority to borrow, current.....	BA			^J 308,433	^J —3,662,827
Indefinite.....	BA		^A 24,705		
Authority to borrow, permanent.....	BA	16,650,937	21,345,596	15,937,848	21,182,012
Contract authority, permanent, indefinite.....	BA	6,274,291			
Liquidation of contract authority, current.....			(2,486,409)	(665,149)	
Outlays.....	0	25,841,204	25,237,732	20,963,493	21,325,053
			^A 24,705		
				^J 308,433	^J —3,662,827
Limitation on administrative expenses and direct loans.....		(6,089)	(6,089)	(6,089)	(6,160)
Limitation on direct loan obligations (P.L. 99-177).....		(15,000,000)			
Limitation on guaranteed loan commitments (P.L. 99-177).....		(5,500,000)			
Total Commodity Credit Corporation Fund.....	BA	23,034,593	21,492,990	16,377,520	17,662,226
	0	25,841,204	25,262,437	21,271,926	17,662,226
General and Special Funds:					
Temporary emergency food assistance program	351				
Appropriation, current.....	BA	50,000	50,000		
			^F —28,559		
Outlays.....	0	49,725	25,084	14,420	
Total Temporary emergency food assistance program.....	BA	50,000	21,441		
	0	49,725	25,084	14,420	
Total Federal funds Commodity Credit Corporation.....	BA	23,084,593	21,514,431	16,377,520	17,662,226
	0	25,890,929	25,287,521	21,286,346	17,662,226
Office of Rural Development Policy					
<i>Federal funds</i>					
General and Special Funds:					
Salaries and expenses	452				
Appropriation, current.....	BA	401			
Outlays.....	0	894	215		
Rural Electrification Administration					
<i>Federal funds</i>					
General and Special Funds:					
Salaries and expenses	271				
Appropriation, current.....	BA	29,479	29,447	27,244	27,624
				^J —27,244	^J —27,624
Outlays.....	0	27,269	29,371	27,244	27,624
				^J —27,244	^J —27,624
Total Salaries and expenses.....	BA	29,479	29,447		
	0	27,269	29,371		

See footnotes at end of table.

BUDGET BY AGENCY AND ACCOUNT (in thousands of dollars)—Continued

Account and functional code		1985 actual	1987 estimate	1988 estimate	1989 estimate
Department of Agriculture—Con.					
Rural Electrification Administration— Con.					
Reimbursement to the Rural electrification and tele- phone revolving fund for interest subsidies and losses 271					
Appropriation, current	BA	99,400	20,000		
			F — 20,000		
Outlays.....	O	99,400			
Total Reimbursement to the Rural electrifica- tion and telephone revolving fund for interest subsidies and losses.....	BA O	99,400 99,400			
Purchase of Rural Telephone Bank capital stock 452					
Appropriation, current	BA	28,530	28,710		
Outlays.....	O	28,530	28,710		
Public Enterprise Funds:					
Rural communication development fund 452					
Appropriation, current	BA	1,196	1,591	1,309	1,447
Outlays.....	O	560	1,591	1,309	1,447
Rural electrification and telephone revolving fund 271					
Authority to borrow, current	BA		^A — 850,783		
Authority to borrow, permanent.....	BA	1,784,912			
Outlays.....	O	302,108	— 35,000	1,895,700	1,767,000
			^A — 198,326	^A — 231,325	^A — 179,462
				^J — 951,500	^J — 867,400
Limitation on direct loan obligations		(2,002,785)	(2,155,490)	(290,000)	(145,000)
			^A (— 850,783)		
Total Rural electrification and telephone re- volving fund.....	BA O	1,784,912 302,108	— 850,783 — 233,326		
				712,875	720,138
Rural telephone bank 452					
Authority to borrow, current, indefinite.....	BA		^A — 28,534		
Authority to borrow, permanent, indefinite.....	BA	49,956	97,408		
Outlays.....	O	— 14,246	— 5,294	— 323,817	— 454,056
			^A — 1,712	^A — 6,402	^A — 4,659
Limitation on direct loan obligations		(177,045)	(177,045)	(93,000)	(46,000)
			^A (— 28,534)		
Total Rural telephone bank.....	BA O	49,956 — 14,246	68,874 — 7,006		
				— 330,219	— 458,715
Total Federal funds Rural Electrification Ad- ministration	BA O	1,993,473 443,621	— 722,161 — 180,660	1,309 383,965	1,447 262,870

See footnotes at end of table.

BUDGET BY AGENCY AND ACCOUNT (in thousands of dollars)—Continued

Account and functional code		1986 actual	1987 estimate	1988 estimate	1989 estimate
Department of Agriculture—Con.					
Farmers Home Administration					
<i>Federal funds</i>					
General and Special Funds:					
Rural water and waste disposal grants	452				
Appropriation, current	BA	109,395	109,395		
			^H — 79,500		
Outlays	O	178,195	168,098	132,781	100,330
			^H — 1,590	^H — 11,925	^H — 19,875
Total Rural water and waste disposal grants	BA	109,395	29,895		
	O	178,195	166,508	120,856	80,455
Salaries and expenses	452				
Appropriation, current	BA	357,904	386,867	411,145	415,260
Outlays	O	355,875	392,104	407,352	412,400
Rural community fire protection grants	452				
Appropriation, current	BA	3,091	3,091		
			^H — 2,300		
Outlays	O	2,993	1,723	1,363	1,547
			^H — 1,035	^H — 115	^H — 920
Total Rural community fire protection grants	BA	3,091	791		
	O	2,993	688	1,248	627
Rural housing for domestic farm labor	604				
Appropriation, current	BA	9,513	9,513		
			^H — 7,400		
Outlays	O	17,188	10,507	10,550	7,956
			^H — 296	^H — 1,850	^H — 1,702
Total Rural housing for domestic farm labor	BA	9,513	2,113		
	O	17,188	10,211	8,700	6,254
Mutual and self-help housing	604				
Appropriation, current	BA	7,610	8,000		
			^H — 8,000		
Outlays	O	7,349	6,492	8,169	3,916
			^H — 640	^H — 3,200	^H — 1,600
Total Mutual and self-help housing	BA	7,610			
	O	7,349	5,852	4,969	2,316
Very low income housing repair grants	604				
Appropriation, current	BA	13,891	12,500		
			^H — 9,400		
Outlays	O	12,081	13,791	625	
			^H — 8,930	^H — 470	
Total Very low income housing repair grants	BA	13,891	3,100		
	O	12,081	4,861	155	
Rural housing voucher program	604				
Appropriation, current	BA			378,130	396,520
Outlays	O	6,436	14,069	19,846	42,626

See footnotes at end of table.

BUDGET BY AGENCY AND ACCOUNT (in thousands of dollars)—Continued

Account and functional code		1986 actual	1987 estimate	1988 estimate	1989 estimate
Department of Agriculture—Con.					
Farmers Home Administration—Con.					
Compensation for construction defects	371				
Appropriation, current	BA	713	713		
			H — 500		
Outlays	O	400	713		
			H — 500		
Total Compensation for construction defects	BA	713	213		
	O	400	213		
Rural housing preservation grants	604				
Appropriation, current	BA		19,140		
			H — 14,400		
Reappropriation	BA	19,140			
Outlays	O		23,925	14,355	
			H — 3,600	H — 10,800	
Total Rural housing preservation grants	BA	19,140	4,740		
	O		20,325	3,555	
Miscellaneous expiring appropriations:					
(Mortgage credit and deposit insurance)	371				
(Outlays)	O	— 34			
(Area and regional development)	452				
(Outlays)	O	807	669		
Total Miscellaneous expiring appropriations	O	773	669		
Public Enterprise Funds:					
Agricultural credit insurance fund	351				
Appropriation, current	BA	1,078,243	1,323,403	3,640,153	3,005,624
Authority to borrow, current, indefinite	BA			50,000	— 115,000
Authority to borrow, permanent, indefinite	BA	3,549,104	2,182,187	44,707	1,546,401
Outlays	O	3,233,710	3,187,436	2,888,451	2,058,783
				J — 133,250	J 68,250
Limitation on administrative expenses (P.L. 99-177)		(9,572)			
Limitation on direct loan obligations		(2,798,696)	(1,817,156)	(1,600,000)	(500,000)
				J (— 305,000)	
Limitation on guaranteed loan commitments		(1,559,571)	(2,498,000)	(3,000,000)	(3,500,000)
				J (— 500,000)	
Total Agricultural credit insurance fund	BA	4,627,347	3,505,590	3,734,860	4,437,025
	O	3,233,710	3,187,436	2,755,201	2,127,033
Self-help housing land development fund	371				
Appropriation, current	BA	1,000			
Outlays	O	165	486	457	— 356
Limitation on direct loan obligations		(1,000)	(500)		

See footnotes at end of table.

BUDGET BY AGENCY AND ACCOUNT (in thousands of dollars)—Continued

Account and functional code		1986 actual	1987 estimate	1988 estimate	1989 estimate
Department of Agriculture—Con.					
Farmers Home Administration—Con.					
Rural housing insurance fund	371				
Appropriation, current	BA	1,832,863	2,296,283	2,964,249	2,883,577
Indefinite	BA	145,232	179,524	160,357	155,569
Authority to borrow, current, indefinite	BA		^A — 609,898		
Authority to borrow, permanent, indefinite	BA	1,055,861	609,898		
Outlays	O	3,234,543	1,283,553	1,404,006	731,045
			^A — 786,000	^A — 570,000	^A — 169,115
Limitation on administrative expenses (P.L. 99-177)		(160,310)			
Limitation on direct loan obligations		(2,033,093)	(2,033,093)		
			^A (— 1,525,115)		
Total Rural housing insurance fund	BA	3,033,956	2,475,807	3,124,606	3,039,146
	O	3,234,543	497,553	834,006	561,930
Rural development insurance fund	452				
Appropriation, current	BA	556,627	656,645	842,682	1,354,883
Authority to borrow, current, indefinite	BA		^A — 308,000	^A 51,200	
Authority to borrow, permanent, indefinite	BA	445,337	991,441		
Outlays	O	955,811	21,327	418,887	262,268
			^A — 11,000	^A — 51,200	^A — 146,600
Limitation on direct loan obligations		(421,080)	(426,080)		
Limitation on guaranteed loan commitments		(95,700)	(114,840)		
Total Rural development insurance fund	BA	1,001,964	1,340,086	893,882	1,354,883
	O	955,811	10,327	367,687	115,668
Rural development loan fund	452				
Outlays	O	— 4,064	15,284	— 3,476	— 3,197
Total Federal funds Farmers Home Administration	BA	9,185,524	7,749,202	8,542,623	9,642,834
	O	8,001,455	4,326,586	4,520,556	3,345,756
Soil Conservation Service					
<i>Federal funds</i>					
General and Special Funds:					
Conservation operations	302				
Appropriation, current	BA	348,669	367,043	399,596	394,876
			^G 12,628		
Outlays	O	346,276	376,589	397,232	394,854
Total Conservation operations	BA	348,669	379,671	399,596	394,876
	O	346,276	376,589	397,232	394,854
River basin surveys and investigations	301				
Appropriation, current	BA	14,180	11,819	8,308	
			^G 320		
Outlays	O	14,591	12,110	8,456	582
Total River basin surveys and investigations	BA	14,180	12,139	8,308	
	O	14,591	12,110	8,456	582

See footnotes at end of table.

BUDGET BY AGENCY AND ACCOUNT (in thousands of dollars)—Continued

Account and functional code		1986 actual	1987 estimate	1988 estimate	1989 estimate
Department of Agriculture—Con.					
Soil Conservation Service—Con.					
Watershed planning	301				
Appropriation, current	BA	8,487	8,480	5,520	
			^G 233		
Outlays	O	8,673	8,656	6,409	331
Total Watershed planning	BA	8,487	8,713	5,520	
	O	8,673	8,656	6,409	331
Watershed and flood prevention operations	301				
Appropriation, current	BA	257,472	175,885	50,024	
			^H — 87,755		
Outlays	O	256,567	251,782	137,810	29,130
			^H — 66,000	^H — 30,000	
Total Watershed and flood prevention operations	BA	257,472	88,130	50,024	
	O	256,567	185,782	107,810	29,130
Great plains conservation program	302				
Appropriation, current	BA	20,482	20,474	2,831	
			^H — 8,000		
Outlays	O	20,040	21,522	15,237	9,097
			^H — 5,000	^H — 3,000	
Total Great plains conservation program	BA	20,482	12,474	2,831	
	O	20,040	16,522	12,237	9,097
Resource conservation and development	302				
Appropriation, current	BA	25,037	25,020	10,002	
			^H — 5,000		
Outlays	O	27,139	28,150	17,566	2,563
			^H — 3,000	^H — 2,000	
Total Resource conservation and development	BA	25,037	20,020	10,002	
	O	27,139	25,150	15,566	2,563
<i>Trust funds</i>					
Miscellaneous contributed funds:					
(Water resources)	301				
(Appropriation, permanent, indefinite)	BA	644	460	460	560
(Outlays)	O	2,638	1,769	1,769	1,762
(Conservation and land management)	302				
(Appropriation, permanent, indefinite)	BA	100	100	100	
(Outlays)	O	100	100	100	
Total Miscellaneous contributed funds	BA	744	560	560	560
	O	2,738	1,869	1,869	1,762
Total Federal funds Soil Conservation Service	BA	674,327	521,147	476,281	394,876
	O	673,286	624,809	547,710	436,557
Total Trust funds Soil Conservation Service	BA	744	560	560	560
	O	2,738	1,869	1,869	1,762

See footnotes at end of table.

BUDGET BY AGENCY AND ACCOUNT (in thousands of dollars)—Continued

Account and functional code		1986 actual	1987 estimate	1988 estimate	1989 estimate
Department of Agriculture—Con.					
Animal and Plant Health Inspection Service					
<i>Federal funds</i>					
General and Special Funds:					
Salaries and expenses	352				
Appropriation, current	BA	300,869	300,967	296,266	292,640
				J — 85,876	J — 86,321
Outlays	O	275,655	289,608	292,827	292,640
				J — 85,876	J — 86,321
Total Salaries and expenses	BA	300,869	300,967	210,390	206,319
	O	275,655	289,608	206,951	206,319
Buildings and facilities	352				
Appropriation, current	BA	4,054	2,246	2,347	2,347
Outlays	O	2,763	3,644	5,786	5,811
<i>Trust funds</i>					
Miscellaneous trust funds	352				
Appropriation, permanent, indefinite	BA	5,013	4,735	4,735	4,735
Outlays	O	4,598	4,735	4,735	4,735
Total Federal funds Animal and Plant Health Inspection Service	BA	304,923	303,213	212,737	208,666
	O	278,418	293,252	212,737	212,130
Total Trust funds Animal and Plant Health Inspection Service	BA	5,013	4,735	4,735	4,735
	O	4,598	4,735	4,735	4,735
Federal Grain Inspection Service					
<i>Federal funds</i>					
General and Special Funds:					
Salaries and expenses	352				
Appropriation, current	BA	6,702	6,697	7,122	7,159
			G 181		
				J — 7,122	J — 7,159
Outlays	O	7,016	6,878	7,122	7,159
				J — 7,122	J — 7,159
Total Salaries and expenses	BA	6,702	6,878		
	O	7,016	6,878		
Public Enterprise Funds:					
Inspection and weighing services	352				
Outlays	O	765			
Total Federal funds Federal Grain Inspection Service	BA	6,702	6,878		
	O	7,781	6,878		

See footnotes at end of table.

BUDGET BY AGENCY AND ACCOUNT (in thousands of dollars)—Continued

Account and functional code		1986 actual	1987 estimate	1988 estimate	1989 estimate
Department of Agriculture—Con.					
Agricultural Marketing Service					
<i>Federal funds</i>					
General and Special Funds:					
Marketing services	352				
Appropriation, current	BA	30,516	30,945	33,081	33,324
			6490		
				✓ — 33,081	✓ — 33,324
Outlays	0	45,228	38,504	33,081	33,324
				✓ — 33,081	✓ — 33,324
Total Marketing services	BA	30,516	31,435		
	0	45,228	38,504		
Payments to States and possessions	352				
Appropriation, current	BA	942	942		
Outlays	0	934	1,691		
Perishable Agricultural Commodities Act fund					
	352				
Appropriation, permanent, indefinite	BA	3,288	4,014	4,240	4,296
Outlays	0	3,710	4,014	4,240	4,296
Funds for strengthening markets, income, and supply (section 32)					
	605				
Appropriation, permanent, indefinite	BA	376,723	434,285	361,988	361,655
Outlays	0	359,658	368,549	361,655	361,655
				✓ — 7,704	✓ — 7,704
Total Funds for strengthening markets, income, and supply (section 32)	BA	376,723	434,285	361,988	361,655
	0	359,658	368,549	353,951	353,951
<i>Trust funds</i>					
Miscellaneous trust funds	352				
Appropriation, permanent, indefinite	BA	82,633	82,227	85,979	85,979
Outlays	0	88,072	91,881	85,979	85,979
Milk market orders assessment fund	351				
Outlays	0		2,119		
Total Federal funds Agricultural Marketing Service	BA	411,469	470,676	366,228	365,951
	0	409,530	412,758	358,191	358,247
Total Trust funds Agricultural Marketing Service	BA	82,633	82,227	85,979	85,979
	0	88,072	94,000	85,979	85,979
Office of Transportation					
<i>Federal funds</i>					
General and Special Funds:					
Office of Transportation	352				
Appropriation, current	BA	2,346	2,340	1,372	
			679		
Outlays	0	2,233	2,381	1,372	388
Total Office of Transportation	BA	2,346	2,419	1,372	
	0	2,233	2,381	1,372	388

See footnotes at end of table.

BUDGET BY AGENCY AND ACCOUNT (in thousands of dollars)—Continued

Account and functional code		1986 actual	1987 estimate	1988 estimate	1989 estimate
Department of Agriculture—Con.					
Food Safety and Inspection Service					
<i>Federal funds</i>					
General and Special Funds:					
Salaries and expenses	554				
Appropriation, current	BA	355,911	361,400 C 12,569	397,130	390,351
Outlays	O	347,534	373,062	J — 397,130	J — 390,351
				J — 398,037	J — 390,351
Total Salaries and expenses	BA	355,911	373,969		
	O	347,534	373,062		
<i>Trust funds</i>					
Expenses and refunds, inspection and grading of farm products	352				
Appropriation, permanent, indefinite	BA	895	825	825	825
Outlays	O	802	825	825	825
Food and Nutrition Service					
<i>Federal funds</i>					
General and Special Funds:					
Food program administration	605				
Appropriation, current	BA	78,481	82,578 C 2,216	87,942	86,286
Outlays	O	77,872	84,335	87,705	88,450
Total Food program administration	BA	78,481	84,794	87,942	86,286
	O	77,872	84,335	87,705	88,450
Food stamp program	605				
Appropriation, current	BA	11,762,316	11,793,288	11,962,550 J — 278,000	12,124,774 J — 268,000
Outlays	O	11,619,439	11,882,735	11,956,432 J — 277,368	12,116,864 J — 266,615
Total Food stamp program	BA	11,762,316	11,793,288	11,684,550	11,856,774
	O	11,619,439	11,882,735	11,679,064	11,850,249
Nutrition assistance for Puerto Rico	605				
Appropriation, current	BA	820,050	852,750	825,000	825,000
Outlays	O	823,696	848,553	825,736	825,000
Special milk program	605				
Appropriation, current	BA	11,500	14,869 A 3,426	33,974	34,326
Outlays	O	15,267	21,279 A 395 J — 2,204	28,776 A 3,031 J — 29,646	34,272 J — 32,140
Total Special milk program	BA	11,500	18,295		2,186
	O	15,267	19,470	2,161	2,183

See footnotes at end of table.

BUDGET BY AGENCY AND ACCOUNT (in thousands of dollars)—Continued

Account and functional code		1986 actual	1987 estimate	1988 estimate	1989 estimate
Department of Agriculture—Con.					
Food and Nutrition Service—Con.					
Child nutrition programs	605				
Appropriation, current	BA	601,455	897,423	1,106,614	1,457,849
			J — 73,015	J — 826,014	J — 909,652
Appropriation, permanent	BA	3,271,592	3,295,937	3,368,512	3,368,612
Outlays	0	3,819,734	4,198,916	4,447,039	4,791,338
			J — 65,714	J — 750,714	J — 901,290
Total Child nutrition programs	BA	3,873,047	4,120,345	3,649,212	3,916,809
	0	3,819,734	4,133,202	3,696,325	3,890,048
Supplemental nutrition assistance for women, infants, and children (WIC)	605				
Appropriation, current	BA	1,580,494	1,663,497	1,687,541	1,746,786
Outlays	0	1,577,523	1,701,915	1,685,982	1,742,935
Commodity supplemental food program	605				
Appropriation, current	BA	36,777	41,497	34,590	35,299
Outlays	0	35,993	41,524	34,888	35,269
Cash and commodities for selected groups	605				
Appropriation, current	BA	193,589	193,589	193,203	199,554
Outlays	0	183,371	211,438	191,818	198,181
Total Federal funds Food and Nutrition Service	BA	18,356,254	18,768,055	18,162,038	18,668,694
	0	18,152,895	18,923,172	18,203,679	18,632,315
Human Nutrition Information Service					
<i>Federal funds</i>					
General and Special Funds:					
Salaries and expenses	352				
Appropriation, current	BA	12,901	6,876	8,704	8,737
			G 109		
Outlays	0	8,090	6,981	8,708	8,977
Total Salaries and expenses	BA	12,901	6,985	8,704	8,737
	0	8,090	6,981	8,708	8,977
Packers and Stockyards Administration					
<i>Federal funds</i>					
General and Special Funds:					
Packers and Stockyards Administration	352				
Appropriation, current	BA	8,833	8,945	9,423	9,544
Outlays	0	8,707	9,159	9,423	9,544
Agricultural Cooperative Service					
<i>Federal funds</i>					
General and Special Funds:					
Salaries and expenses	352				
Appropriation, current	BA	4,484	4,469	3,722	4,056
			G 110		
			J — 3,722	J — 4,056	
Outlays	0	4,390	4,466	3,722	4,056
			J — 3,722	J — 4,056	
Total Salaries and expenses	BA	4,484	4,579		
	0	4,390	4,466		

See footnotes at end of table.

BUDGET BY AGENCY AND ACCOUNT (in thousands of dollars)—Continued

Account and functional code		1986 actual	1987 estimate	1988 estimate	1989 estimate
Department of Agriculture—Con.					
Forest Service					
<i>Federal funds</i>					
General and Special Funds:					
National forest system	302				
Appropriation, current	BA	1,168,924	1,158,294	1,016,417	1,021,970
			^G 12,697		
Outlays	0	1,145,120	1,183,647	1,021,569	1,025,215
Total National forest system	BA	1,168,924	1,170,991	1,016,417	1,021,970
	0	1,145,120	1,183,647	1,021,569	1,025,215
Construction	302				
Appropriation, current	BA	214,654	261,736	221,543	222,449
Outlays	0	253,208	246,249	233,180	234,025
Forest research	302				
Appropriation, current	BA	113,621	124,382	122,212	122,790
Outlays	0	112,468	123,621	122,557	123,188
State and private forestry	302				
Appropriation, current	BA	55,321	58,946	35,434	35,563
			^F — 797		
Outlays	0	53,657	58,479	39,625	39,765
Total State and private forestry	BA	55,321	58,149	35,434	35,563
	0	53,657	58,479	39,625	39,765
Other appropriations	302				
Outlays	0	925	497		
Operation and maintenance of recreation facilities	303				
Appropriation, current	BA			^J 52,000	^J 52,000
Outlays	0			^J 44,720	^J 52,000
Range betterment fund	302				
Appropriation, current, indefinite	BA	3,635	3,644	3,750	3,768
Outlays	0	3,686	3,642	3,729	3,764
Land acquisition	303				
Appropriation, current	BA	31,356	52,236	3,907	3,926
			^H — 42,430		
Outlays	0	37,934	41,286	6,902	6,920
			^H — 7,883	^H — 25,477	^H — 15,670
Total Land acquisition	BA	31,356	9,806	3,907	3,926
	0	37,934	33,403	— 18,575	— 8,750
Acquisition of lands for national forests, special acts	302				
Appropriation, current	BA	744	966	966	966
Outlays	0	678	944	966	966
Acquisition of lands to complete land exchanges	302				
Appropriation, current, indefinite	BA	1,086	895	990	990
Outlays	0	122	895	990	990
Operations and maintenance of quarters	302				
Appropriation, permanent, indefinite	BA	5,352	5,400	5,500	5,500
Outlays	0	4,694	5,296	5,480	5,500
Forest Service permanent appropriations	302				
Appropriation, current	BA		^F — 11,900		
Appropriation, permanent, indefinite	BA	148,597	135,284	139,689	139,689
Outlays	0	112,773	138,814	138,382	139,689
Total Forest Service permanent appropriations	BA	148,597	123,384	139,689	139,689
	0	112,773	138,814	138,382	139,689

See footnotes at end of table.

BUDGET BY AGENCY AND ACCOUNT (in thousands of dollars)—Continued

Account and functional code		1986 actual	1987 estimate	1988 estimate	1989 estimate
Department of Agriculture—Con.					
Forest Service—Con.					
Forest Service permanent appropriations	852				
Appropriation, current, indefinite.....	BA			J — 270,089	J — 270,377
Appropriation, permanent, indefinite.....	BA	685,333	273,879	296,145	305,282
Outlays.....	0	399,487	559,725	296,145	302,842
				J — 270,089	J — 270,377
Total Forest Service permanent appropriations.	BA	685,333	273,879	26,056	34,905
	0	399,487	559,725	26,056	32,465
Intragovernmental Funds:					
Working capital fund	302				
Outlays.....	0	149			
<i>Trust funds</i>					
Reforestation trust fund	302				
Appropriation, permanent, indefinite.....	BA	30,305	30,000	30,000	30,000
Outlays.....	0	30,047	29,742	30,000	30,000
Cooperative work trust fund	302				
Appropriation, permanent, indefinite.....	BA	202,517	197,616	250,369	251,111
Outlays.....	0	128,839	190,105	242,562	251,001
Gifts, donations and bequests for forest and range- land research	302				
Appropriation, current	BA	12	90	90	90
Outlays.....	0	37	90	90	90
Highway Construction:	401				
Contract authority, current.....	BA		9,915		
Outlays.....	0	32	5,592	3,510	813
Total Federal funds Forest Service.....	BA	2,428,623	2,033,232	1,628,464	1,644,516
	0	2,124,901	2,355,212	1,618,679	1,648,817
Total Trust funds Forest Service.....	BA	232,834	237,621	280,459	281,201
	0	158,955	225,529	276,162	281,904
Summary					
Federal funds:					
(As shown in detail above)	BA	60,094,745	54,039,097	49,949,368	53,347,090
	0	59,593,918	55,958,922	51,686,993	47,461,906
Deductions for offsetting receipts:					
Proprietary receipts from the public	302 BA				
	0	— 876,119	— 937,136	— 916,957	— 946,765
	303 BA				
	0			— 52,000	— 52,000
Total Federal funds.....	BA	59,218,626	53,101,961	48,980,411	52,348,325
	0	58,717,799	55,021,786	50,718,036	46,463,141
Trust funds:					
(As shown in detail above)	BA	330,018	336,424	383,030	383,772
	0	261,270	337,448	380,042	385,677
Deductions for offsetting receipts:					
Proprietary receipts from the public	302 BA				
	0	— 202,517	— 197,616	— 250,369	— 251,111

See footnotes at end of table.

BUDGET BY AGENCY AND ACCOUNT (in thousands of dollars)—Continued

Account and functional code		1986 actual	1987 estimate	1988 estimate	1989 estimate
Department of Agriculture—Con.					
Summary—Con.					
352 BA					
0		— 97,166	— 98,702	— 102,470	— 102,470
Total Trust funds.....	BA	30,335	40,106	30,191	30,191
	0	— 38,413	41,130	27,203	32,096
Total Department of Agriculture.....	BA	59,248,961	53,142,067	49,010,602	52,378,516
	0	58,679,386	55,062,916	50,745,239	46,495,237
Department of Commerce					
General Administration					
<i>Federal funds</i>					
General and Special Funds:					
Salaries and expenses.....	376				
Appropriation, current.....	BA	30,911	35,585	42,374	43,500
			^M 464		
Outlays.....	0	35,085	35,273	41,730	43,387
Total Salaries and expenses.....	BA	30,911	36,049	42,374	43,500
	0	35,085	35,273	41,730	43,387
White House conference on productivity.....	376				
Outlays.....	0		8.....		
Special foreign currency program.....	376				
Outlays.....	0	1,241	596	151.....	
Grants and loans administration.....	452				
Appropriation, current.....	BA	24,882	25,000		
			^A 38,520		
Reappropriation.....	BA		^A 38,520		
Outlays.....	0	26,417	24,398	3,031.....	
				^A 18,784	^A 11,446
Total Grants and loans administration.....	BA	24,882	102,040.....		
	0	26,417	24,398	21,815	11,446
Economic development assistance programs.....	452				
Appropriation, current.....	BA	175,609	189,943.....		
			^A — 38,520		
			^H — 123,913		
Reappropriation.....	BA	15,295	1,596.....		
			^H — 1,596		
Outlays.....	0	252,683	221,752	204,762	114,622
			^A — 3,852	^A — 7,704	^A — 9,630
			^H — 16,967	^H — 33,934	^H — 42,417
Limitation on guaranteed loan commitments.....		(187,500)	(187,500).....		
			^A (— 165,625)		
Total Economic development assistance programs.....	BA	190,904	27,510.....		
	0	252,683	200,933	163,124	62,575
Miscellaneous appropriations:					
(Other advancement of commerce).....	376				
(Outlays).....	0	— 32.....			
(Area and regional development).....	452				
(Outlays).....	0	1,868	1,875	1,000.....	

See footnotes at end of table.

BUDGET BY AGENCY AND ACCOUNT (in thousands of dollars)—Continued

Account and functional code		1986 actual	1987 estimate	1988 estimate	1989 estimate
Other Independent Agencies—Con.					
Commodity Futures Trading Commission					
<i>Federal funds</i>					
General and Special Funds:					
Commodity Futures Trading Commission	376				
Appropriation, current	BA	27,983	29,761	32,813	33,375
Outlays	O	27,875	29,660	32,701	33,261
Community Services Administration					
<i>Federal funds</i>					
General and Special Funds:					
Community services program	506				
Outlays	O	— 2,177	— 2,000	— 1,000	
Consumer Product Safety Commission					
<i>Federal funds</i>					
General and Special Funds:					
Salaries and expenses	554				
Appropriation, current	BA	34,452	34,100 <i>M 496</i>	34,400	34,636
Outlays	O	34,754	34,589	34,380	34,601
Total Salaries and expenses	BA	34,452	34,596	34,400	34,636
	O	34,754	34,589	34,380	34,601
Corporation for Public Broadcasting					
<i>Federal funds</i>					
General and Special Funds:					
Public broadcasting fund	503				
Appropriation, permanent	BA	159,500	200,000	214,000	<i>N 228,000</i>
Reappropriation	BA			44,000	<i>N 88,000</i>
Outlays	O	159,500	200,000	170,000	<i>N 140,000</i>
Total Public broadcasting fund	BA	159,500	200,000	258,000	316,000
	O	159,500	200,000	170,000	140,000
District of Columbia					
<i>Federal funds</i>					
General and Special Funds:					
Federal payment to the District of Columbia	852				
Appropriation, current	BA	530,027	560,380	507,070	497,070
Appropriation, permanent	BA		20,000	20,000	
Outlays	O	530,027	580,380	527,070	497,070
Total Federal payment to the District of Columbia	BA	530,027	580,380	527,070	497,070
	O	530,027	580,380	527,070	497,070
Summary					
Federal funds:					
(As shown in detail above)	BA	530,027	580,380	527,070	497,070
	O	530,027	580,380	527,070	497,070

See footnotes at end of table.

THE FEDERAL PROGRAM BY AGENCY AND ACCOUNT 4-177

BUDGET BY AGENCY AND ACCOUNT (in thousands of dollars)—Continued

Account and functional code		1986 actual	1987 estimate	1988 estimate	1989 estimate
Other Independent Agencies—Con.					
District of Columbia—Con.					
Deductions for offsetting receipts:					
Proprietary receipts from the public	852 BA	— 563,765	— 293,201	— 29,770	— 31,372
	O				
Total District of Columbia.....	BA	— 33,738	287,179	497,300	465,698
	O	— 33,738	287,179	497,300	465,698
Equal Employment Opportunity Commission					
<i>Federal funds</i>					
General and Special Funds:					
Salaries and expenses	751				
Appropriation, current	BA	157,905	165,000	193,457	194,179
			^D 2,640		
			^M 1,889		
Outlays.....	O	159,241	168,946	190,329	193,849
Total Salaries and expenses.....	BA	157,905	169,529	193,457	194,179
	O	159,241	168,946	190,329	193,849
Export-Import Bank of the United States					
<i>Federal funds</i>					
Public Enterprise Funds:					
Export-Import Bank of the United States	155				
Outlays.....	O	— 1,166,744	— 2,389,000	— 1,563,535	— 963,800
Limitation on administrative expenses.....		(17,568)	(18,756)	(20,668)	(21,145)
Limitation on program activity.....		(53,714)			
Limitation on direct loan obligations.....		(1,058,620)	(900,000)	(1,000,000)	
Limitation on guaranteed loan commitments.....		(11,484,000)	(11,355,000)	(10,000,000)	(10,000,000)
Farm Credit Administration					
<i>Federal funds</i>					
Public Enterprise Funds:					
Revolving fund for administrative expenses	351				
Outlays.....	O	— 7,825	6,417		
Limitation on administrative expenses.....		(23,176)	(39,420)	(39,420)	(40,900)
Federal Communications Commission					
<i>Federal funds</i>					
General and Special Funds:					
Salaries and expenses	376				
Appropriation, current	BA	90,341	95,000	^K 107,250	108,928
			^D 755		
			^M 1,199		
Appropriation, permanent, indefinite.....	BA		4,911		
Outlays.....	O	92,209	102,428	107,144	108,334
Total Salaries and expenses.....	BA	90,341	101,865	107,250	108,928
	O	92,209	102,428	107,144	108,334

See footnotes at end of table.

BUDGET BY AGENCY AND ACCOUNT (in thousands of dollars)—Continued

Account and functional code		1986 actual	1987 estimate	1988 estimate	1989 estimate
Totals					
Budget Totals					
Federal funds:					
(As shown in detail above)	BA	818,852,627	816,894,300	835,370,862	875,130,056
	O	795,622,456	806,678,795	820,638,868	849,833,673
Deductions for offsetting receipts:					
(As shown in detail above):					
Intrafund transactions	BA	-21,599,237	-18,445,529	-19,158,749	-18,340,525
	O				
Interfund transactions from off-budget accounts ..	BA	-516,090	-595,230	-614,176	-662,129
	O				
	BA			797	1,632
	O				
Proprietary receipts from the public	BA	-11,233,717	-11,896,524	-12,076,270	-12,251,039
	O				
	BA		60,000	70,956	552,724
	O				
(Undistributed by agency):					
Proprietary receipts from the public:					
Other interest	908 BA	-1,071,602	-901,390	-604,123	
	O				
Rents and royalties on the Outer Continental Shelf	953 BA	-4,715,974	-3,902,843	-3,686,440	-3,530,000
	O				
Sale of major assets	954 BA		-1,900,000		
	O				
	BA			4,100,000	2,342,000
	O				
Total deductions	BA	-39,136,620	-37,581,516	-40,169,599	-36,574,601
	O				
Federal fund totals	BA	779,716,007	779,312,784	795,201,263	838,555,455
	O	756,485,836	769,097,279	780,469,269	813,259,072
Trust funds:					
(As shown in detail above)	BA	236,060,919	234,062,362	256,473,654	269,075,905
	O	182,451,119	185,436,588	193,024,127	203,455,325
Deductions for offsetting receipts:					
(As shown in detail above):					
Intrafund transactions	BA	-1,733	-1,700	-1,700	-1,600
	O				
Intrafund transactions from off-budget accounts ..	BA	-3,035,690	-2,746,000	-2,850,000	-2,905,000
	O				
Proprietary receipts from the public	BA	-18,027,082	-17,844,252	-21,067,964	-22,145,944
	O				
	BA			570,000	1,828,000
	O				
Total deductions	BA	-21,064,505	-20,591,952	-24,489,664	-26,880,544
	O				
Trust fund totals	BA	214,996,414	213,470,410	231,983,990	242,195,361
	O	161,386,614	164,844,636	168,534,463	176,574,781
Interfund transactions (-):					
Interest received by on-budget trust funds	902 BA	-26,569,967	-28,679,831	-31,372,070	-34,442,756
	O				
	BA		5,000	236,087	765,047
	O				

See footnotes at end of table.

BUDGET BY AGENCY AND ACCOUNT (in thousands of dollars)—Continued

Account and functional code	1986 actual	1987 estimate	1988 estimate	1989 estimate
Totals—Con.				
Budget Totals—Con.				
Employer share, employee retirement (on- budget) 951 BA	—25,434,209	—28,013,167	—32,090,454	—33,587,772
0 BA			✓ —38,024	✓ —191,361
0 BA				
Applied by agency above..... BA	—59,550,691	—56,170,219	—63,366,888	—63,563,052
0 BA				
Total interfund transactions..... BA	—111,554,867	—112,868,217	—127,103,523	—132,549,988
0 BA				
Budget totalsΔ BA	883,157,554	879,914,977	900,081,730	948,200,828
0 BA	806,317,583	821,073,698	821,900,209	857,283,865
Off-Budget Totals				
Trust funds:				
(As shown in detail above)..... BA	205,932,092	227,979,705	259,673,047	284,862,029
0 BA	199,814,710	208,459,811	220,002,517	233,136,373
Deductions for offsetting receipts:				
(As shown in detail above):				
Intrafund transactions..... BA	✓ —158,855			
0 BA				
Proprietary receipts from the public..... BA	✓ —314			
0 BA				
Interfund transactions (—):				
Interest received by off-budget trust funds 903 BA	✓ —4,329,364	✓ —5,083,865	✓ —6,586,468	✓ —9,192,546
0 BA			✓ —7,696	✓ —47,257
0 BA				
Employer share, employee retirement (off- budget)..... BA	✓ —2,857,000	✓ —3,275,000	✓ —5,367,000	✓ —5,955,000
0 BA			✓ —117,000	✓ —161,000
0 BA				
Applied by agency above..... BA	—8,971,369	—5,602,840	—5,496,883	—6,101,226
0 BA				
Total deductions..... BA	—16,316,902	—13,961,705	—17,575,047	—21,457,029
0 BA				
Off-Budget totalsΔ BA	189,615,190	214,018,000	242,098,000	263,405,000
0 BA	183,497,808	194,498,106	202,427,470	211,679,344
Federal Government totalsΔ BA	1,072,772,744	1,093,932,977	1,142,179,730	1,211,605,828
0 BA	989,815,391	1,015,571,804	1,024,327,679	1,068,963,209

See footnotes at end of table.

BUDGET BY AGENCY AND ACCOUNT (in thousands of dollars)—Continued

Account and functional code	1986 actual	1987 estimate	1988 estimate	1989 estimate		
Federal Government Totals						
ΔFederal Government totals are distributed as follows:						
	1987		1988		1989	
	BA	Outlays	BA	Outlays	BA	Outlays
Federal funds:						
Enacted, pending and initial requests:						
Appropriations	812,328,038	800,603,431	827,631,749	823,961,971	868,493,589	848,349,630
Off-budget under current law (^Y)	5,083,865	5,083,865	6,586,468	6,586,468	9,192,546	9,192,546
Legislative action required (^L)		— 214,323	— 4,130,809	— 1,588,954	— 4,998,160	— 4,209,470
Proposed in this budget:						
Supplemental requests:						
Programs:						
Under existing legislation (^A)	212,763	50,361	338,200	— 858,681		— 493,841
Add. authorizing leg. req. (^B)	3,008,700	977,390		722,395		703,966
Pay:						
Wage-board pay raises (^C)	10,836	12,280		508		
Civilian pay raises (^D)	184,589	279,367		12,097		
Military pay raises (^E)	17	5,277		382		
Ret. contrib. (P.L. 99-335) (^M)	1,018,269	1,085,459		17,828		
Rescission proposal (^N)	— 5,684,762	— 1,058,394		— 2,961,063		— 1,033,414
To be proposed separately:						
Under existing legislation (^J)			17,000	6,600	17,583	14,931
Under proposed legislation (^J)	731,985	— 145,918	3,297,687	— 6,966,430	— 4,396,552	— 9,463,059
Allowances			1,630,567	1,705,747	6,821,050	6,772,384
Deductions for offsetting receipts	— 37,641,516	— 37,641,516	— 36,139,758	— 36,139,758	— 34,783,693	— 34,783,693
Under proposed legislation (^J)	60,000	60,000	— 4,029,841	— 4,029,841	— 1,790,908	— 1,790,908
Total Federal funds.....	779,312,784	769,097,279	795,201,263	780,469,269	838,555,455	813,259,072
Trust funds:						
Enacted, pending and initial requests:						
Appropriations	233,977,160	185,306,345	253,752,819	198,181,096	266,093,038	208,602,021
Off-budget under current law (^Y)	227,979,705	208,459,811	259,158,351	220,006,720	284,086,772	233,139,741
Proposed in this budget:						
Supplemental requests:						
Programs:						
Under existing legislation (^A)	79,000	127,995		— 71,995		
Pay:						
Wage-board pay raises (^C)		162		14		
Civilian pay raises (^D)	708	1,058		28		
Ret. contrib. (P.L. 99-335) (^M)	494	1,028		44		
To be proposed separately:						
Under proposed legislation (^J)	5,000		3,235,531	— 5,089,263	3,758,124	— 5,150,064
Deductions for offsetting receipts	— 20,591,952	— 20,591,952	— 23,919,664	— 23,919,664	— 25,052,544	— 25,052,544
Under proposed legislation (^J)			— 570,000	— 570,000	— 1,828,000	— 1,828,000
Total Trust funds.....	441,450,115	373,304,447	491,657,037	388,536,980	527,057,390	409,711,154
Interfund transactions (—)	— 126,829,922	— 126,829,922	— 144,678,570	— 144,678,570	— 154,007,017	— 154,007,017
Federal Government totals.....	1,093,932,977	1,015,571,804	1,142,179,730	1,024,327,679	1,211,605,828	1,068,963,209

^(*) Supplemental under existing legislation.^(*) Supplemental. Additional authorizing legislation required.^(*) Supplemental for wage-board pay raises.^(*) Supplemental for civilian pay raises.^(*) Supplemental for military pay raises.^(*) Proposed transfer to other accounts for pay raises and^(*) Proposed transfer from other accounts for pay raises and retirement contributions.^(*) Rescission proposal.^(*) Proposed for later transmittal under existing legislation.^(*) Proposed for later transmittal under proposed legislation.^(*) Additional authorizing legislation required.^(*) Legislative action required.^(*) Supplemental for retirement contributions (P.L. 99-335).^(*) Multi-year appropriations requests.^(*) Off-budget under current law.

INTERNATIONAL AFFAIRS

The Federal Government bears the primary responsibility for protecting and advancing the interests of the United States and its people in international affairs. The funds for international affairs proposed in this budget are necessary to carry out that responsibility.

The administration proposes to reverse the sharp decreases in budget authority for many international affairs programs that have taken place over the past 2 years. For 1988, \$19.1 billion in budget authority is requested and outlays of \$15.2 billion are estimated. For 1987, supplemental appropriations totaling \$1.3 billion in budget authority and \$556 million in 1987 outlays are proposed. When enacted, total 1987 budget authority will be \$18.0 billion, and 1987 outlays of \$14.6 billion are estimated. For 1988, new direct loan obligations for international affairs are proposed to be \$7.5 billion, and new guaranteed loan commitments are proposed to be \$10.2 billion.

Foreign Aid.—Two budget subfunctions—international security assistance and international development and humanitarian assistance—comprise foreign aid.

International Security Assistance.—Security assistance programs are vital to the exercise of national security and foreign policy and serve to strengthen allied and friendly governments where the United States has special security concerns. These programs make it possible for other governments to strengthen their economies and to acquire and use modern military equipment necessary for their defense. Security assistance also helps ensure U.S. access to military bases and facilities overseas. Because of the importance of national security objectives, but in keeping with current budget requirements, 1988 budget authority of \$9.4 billion is proposed. This is approximately the same as the 1987 proposed level, which includes a \$0.8 billion supplemental to permit the achievement of essential security assistance goals. Outlays are estimated to be \$7.7 billion in 1988.

Foreign Military Sales Credit.—This program provides financing for foreign governments to purchase U.S. military equipment, training, and design and construction services for their security needs. In the face of challenges to U.S. interests and economic difficulties in many parts of the world, the 1988 proposed program consists of only forgiven and concessional loans. For 1988, budget authority of \$4.4 billion is requested and outlays of \$3.0 billion are estimated. These figures reflect both direct loan programs and the loan activity of the Federal Financing Bank.

This year the budget also reflects the estimated impact of a new foreign military sales debt restructuring program that is being offered to countries with Federal Financing Bank loans. Under this program, debtor countries have the option of prepaying their loans without a premium, or refinancing their loans at current rates with the difference added as a balloon payment due at the end of the loan repayment period. The economic burden on allies, particularly developing countries, of loans at interest rates that are now considerably above market rates must be reduced lest it have the effect of nullifying the purpose for which these loans were made—to promote the international security of the United States and the recipient countries.

Military Assistance.—Providing the same types of articles and services as the foreign military sales credit program, these grants are for countries where the repayment of loans would impose an inappropriate economic burden. For 1988, budget authority of \$1.3 billion is requested. Outlays are estimated to be \$0.6 billion.

Economic Support Fund.—This account finances programs in over 50 countries; the largest portion goes to countries where there are special political and security concerns. Loans and grants provide general budget and balance of payments support to friendly governments and finance individual development projects where doing so enhances our ability to achieve important national security objectives. Aid to Egypt and Israel accounts for approximately half of the program. The proposed budget authority for 1988 is \$3.6 billion, \$0.2 billion for direct loans and the remainder for grants. Outlays are estimated to be \$4.1 billion.

Other.—The budget authority requested in 1988 for security assistance includes \$46 million for peacekeeping operations, \$56 million for international military education and training, and \$10 million for anti-terrorism assistance.

International Development and Humanitarian Assistance.—An important complement to security assistance is the achievement of international policy objectives through international development and humanitarian assistance programs. These programs are designed to encourage the expansion of a market-oriented international economic system and to help meet the development and humanitarian needs of developing countries. Budget authority requested for 1988 is \$5.2 billion, a \$400 million increase over 1987. Outlays for 1988 are estimated at \$4.9 billion.

Multilateral Development Banks.—The United States contributes to the World Bank group of institutions and regional banks for Latin America, Asia, and Africa. These institutions provided more

NATIONAL NEED: CONDUCTING INTERNATIONAL RELATIONS

(Functional code 150; in millions of dollars)

Major missions and programs	1986 actual	Estimate			
		1987	1988	1989	1990
BUDGET AUTHORITY					
Foreign aid:					
International security assistance:					
Foreign military sales credit.....	4,947	4,240	4,421	4,499	4,573
Military assistance.....	798	1,161	1,330	1,353	1,375
Economic support fund.....	3,762	3,897	3,600	3,663	3,723
Other.....	95	98	112	107	108
Offsetting receipts.....	-58	-76	-111	-136	-198
Subtotal, International security assistance.....	9,543	9,320	9,352	9,486	9,582
International development and humanitarian assistance:					
Multilateral development banks.....	1,143	1,242	1,819	1,400	1,400
International organizations.....	261	237	194	200	206
Agency for International Development.....	2,026	2,144	2,192	2,199	2,238
P.L. 480 food aid.....	1,243	1,083	965	1,090	1,119
Refugee assistance.....	324	361	314	307	306
Other.....	220	293	269	263	269
Offsetting receipts.....	-457	-583	-568	-569	-573
Subtotal, International development and humanitarian assistance.....	4,760	4,777	5,185	4,890	4,964
Subtotal, Foreign aid.....	14,303	14,096	14,537	14,376	14,546
Conduct of foreign affairs:					
Administration of foreign affairs.....	2,445	2,093	2,655	2,653	2,704
International organizations and conferences.....	477	441	506	522	536
Other.....	81	82	89	109	105
Subtotal, Conduct of foreign affairs.....	3,003	2,616	3,250	3,285	3,345
Foreign information and exchange activities.....	958	1,013	1,147	1,214	1,260
International financial programs:					
Foreign military sales trust fund (net).....	-3,034	412	241	-453	100
Other.....	1,514				
Offsetting receipts.....	-87	-89	-90	-92	-94
Subtotal, International financial programs.....	-1,607	323	151	-545	6
Total, budget authority.....	16,659	18,049	19,085	18,330	19,157

than \$22.5 billion in long-term loans and technical assistance in 1985 and promoted sound economic policies in recipient countries. Lending programs are funded through the direct contributions of members and through borrowing in world capital markets, backed by guaranteed repayment of that borrowing by member governments. Both are provided in accord with multi-year international agreements to replenish the resources of each bank.

NATIONAL NEED: CONDUCTING INTERNATIONAL RELATIONS

(Functional code 150, in millions of dollars)

Major missions and programs	1986 actual	Estimate			
		1987	1988	1989	1990
OUTLAYS					
Foreign aid:					
International security assistance:					
Foreign military sales credit.....	4,763	3,926	3,002	4,692	4,235
Military assistance	753	237	594	922	1,251
Economic support fund	4,684	4,374	4,097	4,219	4,122
Guarantee reserve fund.....	255	8			
Other	102	101	113	106	108
Offsetting receipts	- 58	- 76	- 111	- 136	- 198
Subtotal, International security assist- ance.....	10,499	8,570	7,695	9,802	9,518
International development and humani- tarian assistance:					
Multilateral development banks.....	1,607	1,078	1,639	1,635	1,373
International organizations	231	259	229	240	247
Agency for International Development.....	1,990	2,038	2,103	2,154	2,189
P.L. 480 food aid.....	1,095	1,083	1,007	1,090	1,119
Refugee assistance	348	330	318	312	306
Other	154	150	172	170	174
Offsetting receipts	- 457	- 583	- 568	- 569	- 573
Subtotal, International development and humanitarian assistance.....	4,968	4,355	4,899	5,031	4,835
Subtotal, Foreign aid	15,467	12,925	12,594	14,833	14,353
Conduct of foreign affairs:					
Administration of foreign affairs.....	1,717	2,181	2,395	2,452	2,622
International organizations and conferences ...	499	455	501	522	536
Other	64	96	91	101	107
Subtotal, Conduct of foreign affairs.....	2,280	2,733	2,987	3,075	3,265
Foreign information and exchange activi- ties					
	907	1,032	1,114	1,140	1,184
International financial programs:					
Foreign military sales trust fund (net)	- 1,016	500	200	100	100
Export-Import Bank	- 1,167	- 2,389	- 1,564	- 964	- 891
Exchange stabilization fund	- 772	- 32	- 31	- 29	- 28
Other	- 1,460	- 73	- 1	38	36
Offsetting receipts	- 87	- 89	- 90	- 92	- 94
Subtotal, International financial pro- grams	- 4,501	- 2,083	- 1,486	- 948	- 876
Total, outlays	14,152	14,607	15,209	18,101	17,925

To support international commitments to the multilateral development banks, budget authority of \$293 million is requested in a 1987 supplemental and \$1.8 billion for 1988. Approximately one-half of the proposed budget authority will be used to meet existing pledges to the International Development Association. The administration has also proposed a one-time subscription to the World Bank's Multilateral Investment Guarantee Agency, a new institution established to insure investment in developing countries

against non-commercial risks. The remaining funds will be used to make authorized annual payments to the other multilateral banks.

International Organizations.—Voluntary contributions of \$194 million in budget authority are proposed for several developmental, humanitarian and scientific programs carried out by the United Nations and other international organizations—\$43 million less than the 1987 level. The administration believes that, useful as some of these programs may be, a higher priority must be afforded other foreign assistance activities accomplishing the same objectives.

Agency for International Development (AID).—AID carries out bilateral development assistance programs in more than 60 countries in Latin America, Africa and Asia. The agency also supports the overseas humanitarian relief and development programs of U.S. private and voluntary organizations and assists development-related research activities in U.S. universities. Proposed budget authority for AID programs for 1988 is \$2.2 billion, approximately the same as for 1987. Included in this amount is a new \$500 million development fund for Africa designed to allow AID greater flexibility in providing development assistance to that region. Principal objectives of bilateral development programs include supporting sound economic policies in recipient countries, using the private sector as a vehicle for economic growth, improving the capability of indigenous institutions in developing countries, and increasing the use of science and technology in development.

Public Law 480 Food Aid.—This program provides U.S. surplus agricultural commodities to foreign governments under either long term (up to 40 years) low interest rate (2 to 3 percent) loans or grants. Food aid commodities are limited to those declared by the Secretary of Agriculture as surplus to normal domestic and export needs. These surplus commodities include wheat, corn, rice, other coarse grains, and soybeans.

The U.S. agricultural sector benefits when surplus commodities are disposed of in a manner that does not displace commercial exports. Also, the food aid program serves U.S. objectives in promoting international security, agricultural export market development and economic assistance. Egypt, Morocco, El Salvador, Jamaica, Zaire, Pakistan and Bangladesh are major cooperating country recipients of U.S. food aid loans. These governments benefit by not having to repay the total loan immediately, thereby saving their scarce foreign exchange to import needed non-food goods and services beneficial to economic development.

Under the Title II grant program, food aid is targeted by the foreign governments and private and voluntary organizations

mainly to needy children, pregnant women and refugees. India, Pakistan, Sudan, Mozambique, Haiti, and Guatemala are major recipients of this program, which annually delivers approximately 2 million tons of processed foods, wheat, and wheat flour.

The budget includes a request of \$1.0 billion in 1988 budget authority. With declining commodity prices, a larger volume of commodities may be shipped for fewer dollars.

Refugee Assistance.—While there have been no major refugee emergencies this past year, the needs of existing refugee populations continue in many parts of the world. Budget authority of \$314 million is proposed for assistance to refugees abroad, primarily in Africa, the Near East, Pakistan, and Southeast Asia, and for the admission of up to 55,000 refugees to the United States. This budget request continues United States leadership in international humanitarian programs to assist refugees. Additional funding for refugee assistance in the United States is discussed in the income security section of Part 5.

Conduct of Foreign Affairs.—Funds for this group of programs cover primarily the operating costs of the Department of State in carrying out diplomatic and consular activities with foreign governments and international organizations. Contributions assessed by international organizations of which the United States is a member are also included here. For 1988, \$3.2 billion of budget authority is requested, and \$3.0 billion in outlays are estimated.

Administration of Foreign Affairs.—To promote United States interests abroad, diplomatic and consular relations are maintained with foreign governments by means of 260 posts throughout the world. The overall request for 1988 budget authority is \$2.7 billion with estimated outlays of \$2.4 billion.

The administration's commitments to further United States interests abroad and to ensure that those interests may be pursued in a physically and technically secure environment are reflected in the 1988 request for State Department operations. The diplomatic security program remains a high priority. For diplomatic security construction, the request seeks continuation of the program levels authorized by the Congress, which will enable the Department to undertake nine priority embassy replacement projects. Requested funding for the salaries and expenses portion of the diplomatic security program will permit the continuation of ongoing residential and perimeter security programs while increasing high priority countermeasures and office equipment protection programs.

The request also seeks increases for the Department's diplomatic reporting capability as well as initiation of a program to improve proficiency in the "hard languages"—Arabic, Russian, Chinese, and

Japanese. In addition, the Department seeks increases in spending for its communications and information processing systems to improve its ability to transmit and store information.

International Organizations and Conferences.—For 1988, budget authority of \$506 million is proposed for assessed contributions to international organizations, for international peacekeeping forces in the Middle East, and for international conferences. Though some international organizations fulfill important needs, the administration believes that those organizations must be managed efficiently and economically. Therefore, the administration is continuing to pursue a responsible budget policy for international organizations, a policy that assumes reductions in administrative costs and the elimination of duplicative, low priority, and obsolete activities.

In addition, enacted law requires that U.S. assessed contributions to the United Nations and its specialized agencies be limited to 20 percent of each organization's budget, unless it has adopted a voting system on budgetary matters under which each member's voting power is in direct proportion to its contributions. A total of \$79 million in budget authority and outlays has been deducted from assessments by the United Nations and its affiliated agencies for 1988 in accordance with this provision. The UN General Assembly took an initial step toward reform in December 1986 by adopting a number of budgetary and administrative measures that, if implemented, could achieve significant gains in economy and efficiency. The United States will monitor the implementation of these measures in the coming year in order to ascertain their bearing on the law.

Foreign Information and Exchange Activities.—An important objective of this administration is to increase international understanding of American society and foreign policy. The United States Information Agency (USIA) seeks to do so through personal contacts, academic and leadership exchanges, Voice of America (VOA) radio broadcasting, distribution of books and periodicals, television programming, English language teaching, and the operation of libraries and cultural centers in 127 countries. For 1988, the administration proposes \$942 million in budget authority for USIA, an increase of \$95 million from 1987. The VOA multiyear modernization program totaling \$1.3 billion includes funds for new transmitter facilities and modernization of equipment in existing facilities. The 1988 request of \$90 million in budget authority for radio construction maintains strong administration support for VOA modernization while instituting a policy of not requesting funding for new transmitter site projects until acceptable agreements with host governments have been signed. When such agreements are concluded, the administration will request the necessary funding

from the Congress. The request for USIA also provides increases for educational and cultural exchange programs, including additional Central American exchanges.

The Board for International Broadcasting provides grants to Radio Free Europe/Radio Liberty, Inc. (RFE/RL), which broadcasts in 22 languages to Eastern Europe and the Soviet Union. For 1988, \$204 million of budget authority is requested for the Board. This includes \$42 million for modernization of existing transmitter sites, which will complete the originally proposed modernization and refurbishment of RFE/RL facilities. Most of the operating budget increase is proposed to offset the decline in value of the dollar against the three foreign currencies which RFE/RL uses to pay for the bulk of its activities.

International Financial Programs.—To assist in the steady growth of the international economy, the United States conducts programs to improve the international financial system and to facilitate U.S. participation in world trade, including arms sales. For 1988, proposed budget authority is \$151 million. Total net outlays for 1988 are estimated to be —\$1.5 billion, because Export-Import Bank loan repayments are expected to exceed new loan commitments, and Export-Import Bank loan assets will continue to be sold.

Export-Import Bank.—The Export-Import Bank (Eximbank) administers a direct loan and guarantee program to promote U.S. export sales. The direct loan program offers loans generally below market rates, consistent with an international agreement that reduces but does not eliminate interest export subsidies.

In 1988, as part of overall Federal credit reform, the administration is proposing to appropriate the subsidies associated with Eximbank's direct loan and guarantee programs to reflect more accurately the cost to the U.S. economy of these programs. A continuation of the loan asset sales program involving loans with a face value of \$1.2 billion in 1988 is also proposed.

A major loophole in existing subsidy reduction agreements is the use of highly concessional aid loans mixed with normal export credits. The administration has made the elimination of these mixed credit or tied-aid credits a major negotiating priority. The administration will continue to press for an international agreement that ends all officially subsidized export financing. Consistent with this objective, the administration is proposing an additional \$200 million in budget authority for the tied-aid credit fund. This fund will be used to promote a negotiated end to the predatory export financing practices of foreign governments.

CREDIT PROGRAMS—INTERNATIONAL AFFAIRS

(In millions of dollars)

	1986 actual	Estimate			
		1987	1988	1989	1990
Direct loans:					
Foreign military sales credit:					
New obligations	4,967	4,040	4,421	4,499	4,573
Change in outstandings	2,979	568	—163	1,396	907
Outstandings	22,124	22,692	22,529	23,925	24,832
Economic support fund:					
New obligations	104	176	176	240	240
Change in outstandings	83	77	54	120	114
Outstandings	6,305	6,381	6,436	6,556	6,670
Development credit:					
New obligations	323	237	232	228	231
Change in outstandings	100	—82	—100	—225	—276
Outstandings	12,324	12,242	12,141	11,917	11,641
Public Law 480 food aid:					
New obligations	813	819	749	771	800
Change in outstandings	577	628	619	637	665
Outstandings	10,622	11,251	11,869	12,507	13,172
Export-Import Bank ¹ :					
New obligations	578	900	1,000	900	900
Change in outstandings	—1,525	—3,681	—2,714	—975	—1,025
Outstandings	14,351	10,670	7,956	6,981	5,956
Other:					
New obligations	1,051	952	892	901	901
Change in outstandings	251	5	—4	*	*
Outstandings	1,431	1,436	1,432	1,432	1,432
Total, direct loans:					
New obligations	7,835	7,125	7,470	6,638	6,744
Change in outstandings	2,466	—2,485	—2,309	954	386
Outstandings	67,157	64,672	62,364	63,317	63,703
Guaranteed loans:					
Foreign military sales credit:					
Change in outstandings	—20	—20	—20	—20	—20
Outstandings	160	140	120	100	80
Development credit:					
New commitments	282	345	250	250	250
Change in outstandings	86	92	88	86	84
Outstandings	1,484	1,576	1,665	1,751	1,834
Export-Import Bank:					
New commitments	5,508	11,355	10,000	10,000	10,000
Change in outstandings	—341	703	678	—500	—
Outstandings	4,785	5,488	6,166	5,666	5,666
Total, guaranteed loans:					
New commitments	5,790	11,700	10,250	10,250	10,250
Change in outstandings	—276	775	746	—434	64
Outstandings	6,429	7,204	7,950	7,516	7,580
Total, new obligations and new commitments	13,625	18,825	17,720	16,888	16,994

* \$500,000 or less.

¹ The obligation levels for 1989 and 1990 are not included in the total.

Tax Expenditures.—In an effort to encourage exports, a portion of the profits from the export sales of foreign sales corporations (FSCs) is not subject to tax. Also, tax expenditures occur when Americans working abroad are permitted to exclude substantial

amounts of earned income and housing allowances from taxation. Tax expenditures resulting from FSCs and the foreign earned-income exclusion are an estimated \$1.3 billion and \$2.2 billion, respectively, for 1988. Additional estimated tax expenditures of \$705 million, \$55 million, and \$100 million result from the source rules exception for inventory property sales, the interest allocation rules exception for certain nonfinancial institutions, and the deferral of income tax on the undistributed earnings of foreign corporations controlled by U.S. shareholders. Total tax expenditures for international affairs are estimated to be \$4.4 billion in 1988. No changes are proposed for 1988.

ENERGY

The Nation needs adequate supplies of energy at reasonable prices. The best way to meet this need is to let market forces work. This policy produces favorable results, as evidenced by developments since the President decontrolled oil markets in 1981. Oil prices are down and the economy continues to expand using less energy than in the past.

The Federal Government can help the Nation meet its energy needs through limited spending that is carefully focused to meet appropriate Federal responsibilities and through cutbacks that eliminate inappropriate Government involvement in energy markets. Major initiatives proposed in the budget include the following:

- Selling the Government-run oil fields at Elk Hills and Teapot Dome, since these are businesses, and not appropriate governmental activities.
- Undertaking the transfer of the power marketing administrations to non-Federal entities in order to improve the service they provide their customers.
- Reforming the lending policies of the Rural Electrification Administration (REA) to reduce costly subsidies.

A total of \$2.5 billion in budget authority is proposed for this function in 1988, a decrease of \$0.1 billion from 1987. Total outlays are expected to fall from \$3.8 billion in 1987 to \$3.3 billion in 1988. This \$0.5 billion reduction is the net result of \$0.9 billion in increased REA outlays, offset by proposed reductions in spending for the Tennessee Valley Authority of \$0.5 billion; for energy conservation of \$0.3 billion; for the strategic petroleum reserve of \$0.3 billion; and for other programs of \$0.3 billion.

Receipts resulting from the divestiture of programs in this function are estimated to total \$2.5 billion in 1988. This income is reported in the last section of Part 5, undistributed offsetting receipts.

Energy Supply.—The Federal Government's energy supply activities fall into three main categories: research and development (R&D), direct production programs, and subsidies for synthetic fuels and certain electric utilities and telephone systems.

A total of \$2.2 billion in budget authority is proposed for energy supply *research and development* programs in 1988. This program level is roughly equal to the level of funding in 1987, for which \$0.7 billion of prior year unobligated budget authority adds to \$1.5 billion of new appropriations.

Private industry invests billions of dollars each year in research and development, including R&D related to energy. The Federal Government should complement, rather than supplant, private sector R&D investment. It should limit its spending to support for

NATIONAL NEED: ENERGY

(Functional code 270; in millions of dollars)

Major missions and programs	1986 actual	Estimate			
		1987	1988	1989	1990
BUDGET AUTHORITY					
Energy supply:					
Research and development:					
Fission	394	330	326	309	308
Fusion	362	345	346	360	375
Fossil	309	251	219	275	230
Solar and renewable energy resources	201	162	107	111	114
Energy science	669	745	779	845	881
Other	352	421	409	435	437
Offsetting transfers	- 217	- 684			
Direct production (net):					
Uranium enrichment	199		- 231	- 270	- 270
Federal power marketing:					
Existing law	9	- 100	- 142	34	61
Proposed legislation				- 70	18
Petroleum reserves:					
Existing law	- 565	- 486	- 540	- 517	- 504
Proposed legislation				517	504
Nuclear waste disposal	131	58	- 12	- 47	- 74
Tennessee Valley Authority	985	1,450	213	434	572
Other subsidies:					
Nonconventional fuel production	3	*	*	*	*
Rural electric and telephone:					
Existing law	1,914	- 821	27	28	28
Proposed legislation			- 27	- 28	- 28
Subtotal, Energy supply	4,745	1,671	1,474	2,417	2,653
Energy conservation:					
Conservation research and development	164	136	80	83	85
Conservation grants	263	15	6	4	2
Subtotal, Energy conservation	426	151	86	87	87
Emergency energy preparedness	113	153	276	401	421
Energy information, policy, and regulation	763	662	676	699	701
Total, budget authority	6,047	2,637	2,513	3,604	3,362

*\$500 thousand or less.

basic research and other longer term R&D where the benefits do not readily accrue to individual companies but assist industry as a whole in the development of new technologies. This policy is particularly applicable to non-nuclear R&D, where industry makes significant investments.

The budget authority requested for nuclear fission R&D includes \$326 million for nuclear technology research, a level nearly constant with 1987. The nuclear fission R&D program shows an increase in funds for the advanced civilian reactor program but continues the shift toward R&D on reactor concepts that can meet space and military nuclear power requirements. The restructured program, while serving national security interests, will also maintain a technical and industrial base for any future use of advanced nuclear technologies in the commercial sector.

NATIONAL NEED: ENERGY

(Functional code 270, in millions of dollars)

Major missions and programs	1986 actual	Estimate			
		1987	1988	1989	1990
OUTLAYS					
Energy supply:					
Research and development:					
Fission	393	350	346	325	311
Fusion	427	340	342	354	369
Fossil	336	361	367	324	337
Solar and renewable energy resources	203	169	135	96	92
Energy science	672	781	736	812	845
Other	372	390	408	412	428
Offsetting transfers					
Direct production (net):					
Uranium enrichment	— 91	— 200	— 231	— 270	— 270
Federal power marketing:					
Existing law	— 408	— 500	— 556	— 691	— 519
Proposed legislation				— 70	19
Petroleum reserves:					
Existing law	— 415	— 442	— 539	— 525	— 518
Proposed legislation				526	518
Nuclear waste disposal	17	2	— 12	— 47	— 74
Tennessee Valley Authority	783	806	318	— 308	74
Other subsidies:					
Nonconventional fuel production	120	89	38	77	208
Rural electric and telephone:					
Existing law	429	— 204	1,692	1,615	1,075
Proposed legislation			— 979	— 895	— 842
Subtotal, Energy supply	2,839	1,940	2,065	1,736	2,053
Energy conservation:					
Conservation research and development	172	211	94	96	84
Conservation grants	343	228	58	17	2
Subtotal, Energy conservation	515	440	153	113	86
Emergency energy preparedness	597	733	448	415	423
Energy information, policy, and regulation	785	675	678	685	686
Total, outlays	4,735	3,787	3,344	2,948	3,247

For nuclear fusion R&D, budget authority of \$346 million is proposed for 1988. This budget level, which is the same as that in 1987, funds fusion reactor development at a pace consistent with national energy needs and the potential contribution of fusion power. In 1988, the program will continue to focus on resolving scientific questions key to the ultimate achievement of fusion energy. Studies to support the President's Geneva initiative on expanded cooperation with the Soviet Union in the area of magnetic fusion will also continue in 1988.

The budget proposes a total of \$219 million for two R&D programs dealing with fossil fuels: a research program and a clean coal demonstration program. A program level of \$169 million is proposed for research related to fossil fuels, including \$7 million proposed for later transmittal to support cooperative R&D ven-

tures. This is a reduction of \$82 million from 1987. The program supports research in universities and national laboratories and cooperative R&D with industry. The request continues to emphasize clean use of coal, with \$109 million in budget authority for coal-related R&D.

The administration proposes spending \$350 million over 5 years for additional *clean coal technology* demonstration projects, in response to the recommendations in the Report of the U.S. and Canadian Special Envoys on Acid Rain. This amount is in addition to the \$396 million committed by the Department of Energy in 1986. The budget requests \$50 million in 1988 and an advance appropriation of \$100 million for 1989 for this expanded funding. As with the 1986 commitments, non-Federal sources are expected to contribute at least equal amounts of funding to these projects. Federal outlays are estimated to be \$26 million in 1987 and \$146 million in 1988.

A program level of \$107 million, including \$5 million proposed for later transmittal to support cooperative R&D ventures, is proposed in 1988 for solar and renewable energy research, a reduction of \$55 million from 1987. The research covers a broad range of technologies. Like fossil fuel R&D, it supports university and national laboratory research as well as applied research and development in cooperation with industry.

The reduced budget authority proposed for fossil, solar and other non-nuclear R&D will continue to support vigorous programs of research on longer-term concepts that can later be applied by industry as a whole, while eliminating Federal subsidies for proprietary products or process development by individual firms. The emphasis on more generic technology development, coupled with the use of cooperative R&D ventures, will support industry broadly with greater cost effectiveness and more effective technology transfer. It also reduces the need for continuing previous levels of Federal investment.

For energy science programs, the budget proposes \$779 million in new budget authority, a \$34 million increase over the 1987 level. Spending on these programs has increased 34 percent in the past 5 years. These are programs where the Government clearly has a key role to play. They support energy-related basic and applied research at major universities and the DOE national laboratories in the physical, biological, environmental, and engineering sciences. Their goal is to provide fundamental scientific knowledge and a broadened engineering data base for future industrial development of a wide spectrum of energy technologies.

Other energy supply R&D programs include DOE research on health and safety issues, and Environmental Protection Agency research on acid rain and on an advanced environmental control

technology. Investments for energy conservation at the national laboratories are also included, together with spending for environmental cleanup at DOE sites. For the nuclear fission remedial action program, \$252 million is proposed in 1988 for the cleanup of waste from uranium mining and other contaminated sites.

The budget proposes privatization of two of the Federal Government's *direct production activities*: the naval petroleum reserves (NPRs) and the power marketing administrations (PMAs). In addition, the administration is developing plans to privatize the Government's uranium enrichment program.

The NPRs are located at Elk Hills, California and Teapot Dome, Wyoming. These oil fields were set aside by President Taft and President Wilson to ensure fuel supplies for the Navy as its ships converted from coal to oil. They have outlived their usefulness as national security assets. The strategic petroleum reserve now provides an adequate emergency reserve; it can pump out oil 30 times faster than the NPR. The budget assumes the oil fields are sold for \$3.3 billion. The proceeds from this sale are not included in this function; instead, they are classified as undistributed offsetting receipts.

The budget repropose divestiture of the five power marketing administrations (PMAs), which supply 6 percent of the electricity generated in the country. These are commercial activities, which in most areas of the country are performed by private and other non-Federal enterprises.

The administration believes that divestiture can lead to creation of new enterprises that are more responsive to regional and customer needs, without significant increases in power rates. Consequently, legislation is proposed with the budget to study a possible divestiture of the Southeastern Power Administration. Also, work will continue on the Alaska Power Administration divestiture. All activities will be coordinated with Congress and with existing power customers, and legislative authorizations will be sought for divestitures. The budget assumes that divestiture of the Southeastern and Alaska Power Administrations will be authorized and carried out at the end of 1989.

As long as the PMAs remain under Federal ownership and control, it is appropriate that they repay Federal investment on a regular, business-like basis. To ensure regular repayments, the budget proposes that the PMAs repay the Federal investments on a fixed, straight-line amortization schedule. The proposal would not increase the PMAs' interest costs or the total Federal investment to be repaid, but merely would ensure that annual repayments occur on a predictable and stable schedule.

In 1988, the uranium enrichment program will reduce plant operating costs so as to be more competitive in the world enrich-

ment market, repay \$231 million to the Treasury for prior unrecovered costs, and transfer the responsibility for further development of enrichment technologies to the private sector. Also in 1988, legislation will be proposed to authorize privatization of the uranium enrichment enterprise.

The commercial nuclear waste program is financed by a fee on electricity generated by nuclear power plants. Proposed budget authority of negative \$12 million in 1988 results from expenses of \$500 million, offset by receipts of \$512 million. The request is consistent with levels appropriated in 1986 and 1987. If certain external issues affecting the scope and pace of the program are resolved, a budget amendment supporting a more aggressive program will be submitted at a later date.

The Tennessee Valley Authority (TVA) estimates its total borrowing (budget authority) to be \$213 million in 1988, a decrease of \$1.2 billion from 1987. Restoration and construction of the agency's nuclear power plants and other power system modifications and upgrades will be financed primarily out of internally-generated funds. TVA will guarantee \$209 million in borrowing by the Seven States Energy Corporation from the FFB to finance the TVA nuclear fuel inventory. TVA's economic development programs are described in the community and regional development function.

The *Rural Electrification Administration (REA)* in the Department of Agriculture provides direct loans and guarantees of direct loans by the Federal Financing Bank (FFB) for the construction and operation of rural electric utilities and telephone systems. Total REA loans outstanding, including FFB direct loans, are estimated to be \$37.0 billion at the end of 1986.

The administration proposes that rural electric and telephone systems increase their reliance on private financing and that all REA direct lending programs be phased out by the end of 1989. Under this proposal, revolving fund direct loans and Rural Telephone Bank loans would be phased out by the end of 1989, and 100 percent REA guaranteed FFB loans would end in 1987. A less costly program offering a 70 percent REA guarantee of the principal of privately originated loans would be substituted. Electric and telephone borrowers that serve largely urban, suburban, or recreation areas and most telephone borrowers who are subsidiaries of larger holding companies would no longer be eligible for REA assistance. Consistent with this approach, the budget proposes that REA reduce its direct loan obligations in 1988 by \$0.7 billion from the 1987 obligations of \$1.1 billion. In addition, to encourage privatization, the administration proposes that any borrower with existing REA loans outstanding have the opportunity to prepay all FFB and Rural Telephone Bank loans without a prepayment premium

CREDIT PROGRAMS—ENERGY

(In millions of dollars)

	1986 actual	Estimate			
		1987	1988	1989	1990
Direct loans:					
TVA fund:					
New obligations	268	301	280	343	346
Change in outstandings	180	-211	74	-634	-66
Outstandings	2,091	1,880	1,954	1,319	1,253
Rural electrification:					
New obligations	2,953	1,305	290	145	.....
Change in outstandings	304	2,045	276	-320	-720
Outstandings	35,941	37,986	38,262	37,942	37,222
Geothermal resources and other:					
New obligations	4	.....	.....	.....	.....
Change in outstandings	2	-1	-1	-1	-1
Outstandings	23	23	22	21	21
Total, direct loans:					
New obligations	3,224	1,606	570	488	346
Change in outstandings	486	1,833	349	-955	-787
Outstandings	38,055	39,888	40,238	39,283	38,496
Guaranteed loans:					
Biomass energy development:					
Change in outstandings	283	273	.....	.....	.....
Outstandings	796	1,069	1,069	1,069	1,069
Rural electrification:					
New commitments .....	.....	.....	840	1,115	1,388
Change in outstandings	-15	88	317	824	1,306
Outstandings	1,030	1,118	1,435	2,260	3,565
Synthetic fuels:					
Change in outstandings	-4	.....	.....	.....	.....
TVA fund:					
Change in outstandings .....	.....	.....	-1	.....	.....
Outstandings	1	1	.....	.....	.....
Geothermal resources and other:					
Change in outstandings	-4	.....	.....	.....	.....
Outstandings	50	50	50	50	50
Total, guaranteed loans:					
New commitments .....	.....	.....	840	1,115	1,388
Change in outstandings	262	361	316	824	1,306
Outstandings	1,877	2,238	2,554	3,378	4,684
Total, new obligations and new commitments	3,224	1,606	1,410	1,603	1,734

and all Revolving Fund direct loans at a discount if the borrower agrees not to seek REA assistance in the future.

Energy Conservation.—The budget proposes a total of \$86 million in new budget authority for programs in this subfunction, which includes energy conservation research and development and State and local conservation grants.

Energy conservation R&D supports development of methods to use energy more efficiently in buildings, transportation, and industry. The budget proposes a program level of \$80 million, including \$5 million proposed for later transmittal to support cooperative

R&D ventures, a reduction of \$56 million from 1987. The reduction largely reflects proposed elimination of Federal support for development of specific proprietary products for individual companies, because it is not appropriate for the Federal Government to provide that kind of company-specific assistance.

This subfunction also includes programs providing energy grants to State and local governments. These grants are used to weatherize school buildings, hospitals, and the homes of low-income families. They also support State energy planning and extension activities. States received \$2.8 billion this past year from the settlement of cases involving petroleum pricing violations under the old price control program. Consequently, no new budget authority is proposed for these grants.

Emergency Energy Preparedness.—The strategic petroleum reserve (SPR) is a Government stockpile of crude oil that is being built up to supplement the market in the event of a severe disruption in world oil supplies. The administration proposes to continue development and fill of the reserve at the current rate of 75,000 barrels a day during 1987, then to reduce the rate to 35,000 barrels a day in 1988. This proposal is consistent with the administration's support for a 750 million barrel reserve and provides adequately for the Nation's energy security.

By the end of 1987, the SPR will contain 534 million barrels of crude oil, an amount equal to over 100 days of 1986 net U.S. imports from all countries. This inventory level will more than meet U.S. obligations to the International Energy Agency. In view of the more than 10 million barrels per day of surplus oil production capacity in the world, the 350 million barrels of stocks under the control of other major importing nations' governments, and the stocks held by the private sector, there is no need to continue filling SPR at the 75,000 barrel daily rate at an additional annual cost of more than \$225 million. At the proposed 35,000 barrels per day rate, SPR outlays for petroleum acquisition and for storage facilities development and maintenance for 1988 are estimated to be \$442 million.

Energy Information, Policy, and Regulation.—Budget authority for energy information, policy, and regulation of \$676 million is proposed for 1988, a \$14 million increase over 1987. Included in this total is \$428 million to support the work of the Nuclear Regulatory Commission. This subfunction also includes the operating expenses of the Department of Energy's Federal Energy Regulatory Commission and Energy Information Administration, as well as the Department's general administrative expenses.

Tax Expenditures.—To encourage energy resources exploration and production, the tax code permits certain capital costs to be deducted as current expenses rather than amortized over the useful life of the property. In addition, extractive industries are generally permitted to use percentage depletion rather than cost depletion.

A number of residential tax incentives designed to stimulate energy conservation and encourage conversion to energy sources other than oil or natural gas expired on December 31, 1985. Special tax credits for business investments in specified energy property, which were scheduled to expire at the end of 1985, were extended at declining rates through 1988 by the Tax Reform Act of 1986.

Tax expenditures for energy are listed in the accompanying table and discussed in more detail in Special Analysis G.

TAX EXPENDITURES FOR ENERGY

(Outlay equivalents; in millions of dollars)

Description	Estimates		
	1986	1987	1988
Expensing of exploration and development costs:			
Oil and gas	—765	—820	—485
Other fuels	35	35	35
Excess of percentage over cost depletion:			
Oil and gas	1,375	850	585
Other fuels	340	235	190
Capital gains treatment of royalties on coal	125	30	.....
Exclusion of interest on State and local industrial development bonds for certain energy facilities	180	200	205
Residential energy credits:			
Supply incentives	175	20	.....
Conservation incentives	70	.....	.....
Alternative, conservation and new technology credits:			
Supply incentives	375	325	90
Conservation incentives	*	*	*
Alternative fuel production credit	25	15	15
Alcohol fuel credit ¹	10	10	10
Energy credit for intercity buses	5	*	*
Special rules for mining reclamation reserves	55	50	45
Total (after interactions), energy ²	1,420	680	490

* 500 thousand or less.

¹ In addition, the exemption of alcohol fuel from the excise tax on gasoline results in a reduction in excise receipts of \$400 million in 1986, \$340 million in 1987, and \$300 million in 1988.

² The estimate of total tax expenditures for this function reflects interactive effects among the individual items. Therefore, the estimates cannot simply be added.

NATURAL RESOURCES AND ENVIRONMENT

Federal natural resources and environment programs manage public lands and resources for their preservation, conservation, and economic development; work with State governments to ensure a clean environment; and encourage increased knowledge and understanding of the environment. A total of \$14.1 billion in budget authority is requested for this function in 1988, an increase of \$0.8 billion from 1987. This change results primarily from a \$1.4 billion increase for conservation of agricultural lands. While funding for water resources and other natural resources is increased, decreases for recreational resources and pollution control and abatement offset these increases.

Pollution Control and Abatement.—Efforts to control pollution of air, water, and land are carried out through direct Federal programs and through financial assistance to State and local governments.

Regulatory, Enforcement, and Research Programs.—Proposed budget authority for these programs will continue at about the 1987 level. However, programs with new or recent statutory mandates, such as the Safe Drinking Water Act (SDWA) Amendments, are increased significantly. This Act requires new drinking water standards, and ensuring compliance with public water supply standards and underground injection control requirements. The budget also includes increases for State environmental agencies. Other initiatives begun or maintained in 1987 are continued in the 1988 budget. Budget authority is also requested to continue aggressive implementation of the Hazardous and Solid Waste Amendments of 1984. The acid rain task force is classified in the energy function.

Hazardous Substance Superfund.—This trust fund finances the cleanup of abandoned hazardous waste sites and hazardous chemical spills. To implement the provisions of the Superfund Amendments and Reauthorization Act of 1986, the administration proposes budget authority of \$1.2 billion for 1988. Including unobligated budget authority from 1987, this request represents a \$450 million increase in activity by all agencies involved in the Superfund program.

Sewage Treatment Plant Construction Grants.—With the completion of the original Federal mission, communities will be expected to finance waste treatment facilities through charges for the services they provide, combined with assistance that State governments may provide. In order to complete the Federal role in assisting State and local governments to build sewage treatment facilities,

the administration requests \$12 billion in budget authority through 1993. New budget authority of \$2.0 billion will be requested in 1988 for the construction of sewage treatment systems once an acceptable program has been reauthorized.

NATIONAL NEED: USING AND PRESERVING NATURAL RESOURCES AND PROTECTING THE ENVIRONMENT

(Functional code 300; in millions of dollars)

Major missions and programs	1986 actual	Estimate			
		1987	1988	1989	1990
BUDGET AUTHORITY					
Pollution control and abatement:					
Regulatory, enforcement, and research programs	1,373	1,394	1,436	1,435	1,432
Hazardous substance response fund	261	1,411	1,200	1,300	1,500
Oil pollution funds (gross)	6	7	5	5	5
Sewage treatment plant construction grants:					
Existing law	1,774	1,200			
Proposed legislation		800	2,000	1,900	1,600
Leaking underground storage tank trust fund		50		25	25
Offsetting receipts:					
Existing law	— 16	— 35	— 57	— 132	— 207
Proposed legislation		— 10	— 40	— 43	— 45
Subtotal, Pollution control and abatement	3,399	4,817	4,544	4,491	4,311
Water resources:					
Corps of Engineers	2,774	3,354	3,503	3,677	3,661
Bureau of Reclamation	768	953	1,053	1,127	1,141
Other	298	129	87	24	20
Offsetting receipts	— 161	— 422	— 475	— 437	— 405
Subtotal, Water resources	3,678	4,014	4,168	4,390	4,417
Conservation and land management:					
Management of national forests, cooperative forestry, and forestry research (Forest Service)	1,946	1,978	1,828	1,836	1,839
Management of public lands (BLM)	470	559	487	560	561
Mining reclamation and enforcement	278	304	292	292	292
Conservation of agricultural lands	595	437	1,801	2,403	2,731
Other resources management	307	315	218	218	219
Offsetting receipts:					
Existing law	— 2,166	— 2,217	— 2,292	— 2,424	— 2,520
Proposed legislation					
Subtotal, Conservation and land management	1,430	1,375	2,334	2,886	3,121
Recreational resources:					
Federal land acquisition: ¹					
Existing law	195	79	89	91	94
Proposed legislation			— 30	— 30	— 30
Urban park and historic preservation funds	24	9			
Operation of recreational resources:					
Existing law	1,312	1,320	1,379	1,402	1,416
Proposed legislation			52	52	52
Offsetting receipts:					
Existing law	— 74	— 49	— 136	— 138	— 131
Proposed legislation			— 63	— 64	— 64
Subtotal, Recreational resources	1,456	1,359	1,291	1,313	1,337

NATIONAL NEED: USING AND PRESERVING NATURAL RESOURCES AND PROTECTING THE ENVIRONMENT—Continued

(Functional code 300; in millions of dollars)

Major missions and programs	1986 actual	Estimate			
		1987	1988	1989	1990
Other natural resources:					
Program activities:					
Existing law	1,778	1,690	1,734	1,792	1,702
Proposed legislation			29	29	29
Offsetting receipts	-17	-15	-24	-24	-24
Subtotal, Other natural resources	1,761	1,675	1,738	1,796	1,707
Total, budget authority	11,724	13,241	14,076	14,876	14,893

¹ Includes budget authority from State grants financed by the land and water conservation fund.

Water Resources.—Total net proposed budget authority of \$4.2 billion for the Department of the Army's Corps of Engineers, the Department of the Interior's Bureau of Reclamation, and the Department of Agriculture's Soil Conservation Service (SCS) is an increase of about 4 percent from the 1987 level. The increase is due primarily to the construction of new Federal water resource projects initiated since 1985 and is partially offset by increases in commercial navigation user fees, higher non-Federal project financing, and proposed termination of the SCS small watershed program. Most of the proposed funding for water resources development covers ongoing construction of projects started in previous years, and operation and maintenance of completed projects.

The administration proposes up to 13 new construction starts for the Corps of Engineers. Construction of these projects is contingent upon the willingness of State and local governments, and other non-Federal project sponsors, to share in project costs in accordance with the Water Resources Development Act of 1986 (WRDA).

WRDA authorized a new ad valorem fee for use of the 200 U.S. commercial harbors, annually recovering up to 40 percent of the expenses of the Corps of Engineers for harbor operation and maintenance (O&M) that were previously financed entirely by general tax funds. The fee is equivalent to 4 cents for every \$100 of value of cargo loaded or unloaded.

The administration requests estimated budget authority of \$149 million in 1988 and \$67 million in 1987 for Corps of Engineers harbor O&M costs to be recovered from the new ad valorem receipts. In addition, the administration proposes to offset 1988 construction costs of inland waterway projects with \$38 million in receipts from the existing tax on fuel to transport cargo on the inland waterway system (WRDA imposed a gradual increase in this tax, doubling it by 1995). Both harbor and inland revenues are classified as governmental receipts and are discussed in Part 4.

In addition, WRDA authorized greater concurrent non-Federal financing of Corps of Engineers construction-period costs and established new requirements for repayment of construction costs over time with interest. Budget estimates are based on these new cost-sharing policies.

NATIONAL NEED: USING AND PRESERVING NATURAL RESOURCES AND PROTECTING THE ENVIRONMENT

(Functional code 300; in millions of dollars)

Major missions and programs	1986 actual	Estimate			
		1987	1988	1989	1990
OUTLAYS					
Pollution control and abatement:					
Regulatory, enforcement, and research programs	1,291	1,419	1,458	1,441	1,439
Hazardous substance response fund.....	435	550	900	1,175	1,325
Oil pollution funds (gross).....	9	10	5	6	6
Sewage treatment plant construction grants:					
Existing law	3,113	2,592	1,814	1,600	1,100
Proposed legislation		8	506	550	980
Leaking underground storage tank trust fund		8	18	22	25
Offsetting receipts:					
Existing law	— 16	— 35	— 57	— 132	— 207
Proposed legislation		— 10	— 40	— 43	— 45
Subtotal, Pollution control and abatement.....	4,831	4,541	4,603	4,620	4,624
Water resources:					
Corps of Engineers	2,855	3,365	3,522	3,677	3,661
Bureau of Reclamation	1,050	1,007	907	1,129	1,139
Other	298	228	144	54	26
Offsetting receipts	— 161	— 422	— 475	— 437	— 405
Subtotal, Water resources	4,041	4,178	4,099	4,423	4,421
Conservation and land management:					
Management of national forests, cooperative forestry, and forestry research (Forest Service)	1,846	1,983	1,841	1,856	1,858
Management of public lands (BLM)	529	558	494	558	561
Mining reclamation and enforcement	327	345	327	317	297
Conservation of agricultural lands	553	606	1,889	2,460	2,753
Other resources management	299	322	216	218	218
Offsetting receipts:					
Existing law	— 2,166	— 2,217	— 2,292	— 2,424	— 2,520
Proposed legislation					
Subtotal, Conservation and land management.....	1,388	1,598	2,474	2,984	3,167
Recreational resources:					
Federal land acquisition ¹	262	269	132	107	78
Urban park and historic preservation funds....	32	29	14	2	
Operation of recreational resources:					
Existing law	1,293	1,384	1,371	1,403	1,401
Proposed legislation			45	52	52
Offsetting receipts:					
Existing law	— 74	— 49	— 136	— 138	— 131
Proposed legislation			— 63	— 64	— 64
Subtotal, Recreational resources.....	1,513	1,633	1,362	1,362	1,336

NATIONAL NEED: USING AND PRESERVING NATURAL RESOURCES AND PROTECTING THE ENVIRONMENT—Continued

(Functional code 300; in millions of dollars)

Major missions and programs	1986 actual	Estimate			
		1987	1988	1989	1990
Other natural resources:					
Program activities:					
Existing law.....	1,883	1,922	1,706	1,783	1,785
Proposed legislation.....			21	27	29
Offsetting receipts.....	-17	-15	-24	-24	-24
Subtotal, Other natural resources.....	1,866	1,907	1,703	1,785	1,789
Total, outlays.....	13,639	13,857	14,241	15,175	15,336

¹ Includes outlays from State grants financed by the land and water conservation fund.

The Bureau of Reclamation is included in the administration's loan asset sale initiative. Bureau loans worth about \$350 million will be offered for sale, yielding estimated net receipts of \$154 million. Funding for the Bureau gives highest priority to completing ongoing construction and planning activities that are substantially underway and constrains funding of new activities and projects. This initiative will allow the Bureau to complete more projects or major project features on schedule than would be possible if funding were distributed to all projects regardless of their relative stage of completion. Also, funding for Bureau planning activities is substantially reduced, reflecting the emphasis on completing work on ongoing projects before starting new ones.

The administration proposes to terminate the Soil Conservation Service (SCS) small watershed program in 1988. While the program can provide flood control facilities under Public Laws 78-534 and 83-566, these facilities are usually within the financial and engineering capability of non-Federal entities to provide. The facilities also duplicate services of the Corps of Engineers in some cases, and often provide added capacity to produce surplus commodities.

Conservation and Land Management.—Changes in these programs reflect the administration's continuing efforts to improve the management of the national forests and public lands, to make mineral leasing programs more efficient, and to place maximum responsibility with the States for surface coal mining regulatory and reclamation programs. Budget authority for these programs is proposed to increase by \$1.0 billion because of increases in the conservation of agricultural lands subfunction.

Management of National Forests, Cooperative Forestry, and Forestry Research.—Proposed budget authority in 1988 for direct management of National Forests is \$1.8 billion, a decrease from 1987 of \$134 million, after adjusting the 1987 and 1988 levels of funding for forest fire fighting and increased pay and retirement costs. This

net decrease occurs primarily as a result of a postponement of some construction and recreational land acquisition and termination of financial assistance and some technical assistance to State forestry agencies.

The productivity of national forest management will be improved through careful control of costs and close attention to benefit-cost relationships. The administration's objective is to produce timber, minerals, recreation, and other products or services at the lowest unit costs. Both market and nonmarket benefits and costs of resources will be carefully considered.

Planned timber sales from National Forest lands in 1988 are 11.1 billion board feet (BBF). Together with the estimated 25 BBF sold but still uncut at the end of 1987, this level will be adequate to respond to anticipated housing construction needs in 1988 and subsequent years.

Gross receipts from the harvest of timber are estimated to be approximately \$1.0 billion in 1988. Under current law, 25 percent of these receipts are paid to States for schools and roads in the counties of origin. The administration will propose legislation, discussed in the general purpose fiscal assistance function, to deduct appropriate Federal costs from receipts before calculating the share paid to the States. Federal payments in lieu of taxes on Federal lands, also classified in the general purpose fiscal assistance function, will continue to be paid to counties.

The administration proposes to reduce budget authority for contributions to State and private forestry programs from \$58 million in 1987 to \$35 million in 1988. Funding will be retained to provide for pest suppression on Federal and closely associated lands, and collection and dissemination to States of data on national problems. General financial assistance to States for pest suppression, fire protection and forestry technical assistance on non-Federal lands is not proposed for 1988.

Management of Public Lands.—The Bureau of Land Management (BLM) administers 310 million surface acres of public lands for multiple use and 370 million acres of federally owned subsurface mineral rights. The BLM will continue to emphasize mineral leasing, realty management, data support systems, and renewable resource activities such as those affecting water, timber, or wildlife, including hazardous waste assessment.

Mining Reclamation and Enforcement.—The 1988 budget reflects a continuation of the regulatory program at the current services level. A budget authority decrease of \$12 million from the 1987 level reflects maturation of the abandoned mined land reclamation grant program, balancing annual obligations at a rate that can be absorbed by States and sustained each year until program comple-

tion in 1992. Approximately 225 projects to reclaim abandoned mined lands in 22 States will be financed by the \$187 million of the proposed budget authority.

Conservation of Agricultural Lands.—A new Federal conservation reserve program is authorized by the Food Security Act of 1985. Under the new program, the Secretary of Agriculture will enter into contracts with owners of highly erodible lands to remove those lands from active crop production. In return, the landowners will receive assistance in establishing appropriate conservation cover on the land and rental payments for each acre put into reserve status. The administration proposes to terminate a number of existing conservation cost share and Soil Conservation Service programs. Technical assistance will continue to be provided to farmers to achieve sound conservation of farm land as well as to aid in the implementation of the new conservation reserve program.

Other Resources Management.—The apparent reduction of \$97 million in budget authority is primarily due to the budget-neutral reclassification of certain Bureau of Indian Affairs activities to the community and regional development function.

Recreational resources.—Excluding offsetting receipts paid into the Treasury, and after proposed rescissions, budget authority for recreation is proposed to be increased from \$1.40 billion in 1987 to \$1.49 billion in 1988. Budget authority for Federal land acquisition is proposed to be reduced from \$216 million appropriated in 1987 to \$59 million in 1988. A rescission is proposed to reduce budget authority for land acquisition by \$137 million in 1987, and discretionary acquisitions for park and refuge purposes are proposed to be postponed through 1992 except for wetlands acquired with revenue from the sale of duck stamps, refuge entrance fee collections and other dedicated receipts. Grants to States for acquisition and development of outdoor recreation lands and for support of State historic preservation staffs are proposed for elimination in 1988. In addition, a rescission is proposed to reduce budget authority for land acquisition grants by \$33 million in 1987 and historic preservation grants by \$15 million in 1987. These needs can be met through State, local, and private resources and the positive effect of Federal tax incentives on private investment in historic buildings.

The administration proposes to increase entrance fees to national parks and service charges for recreational use of national parks, forests, and other Federal recreation facilities, so that those who use them will pay more for their upkeep and maintenance than will those taxpayers who do not use them. The agency collecting

the user fees will retain them for operation and maintenance of recreation areas. For 1988, recreation receipts, are estimated to be about \$167 million, \$92 million above what would otherwise be collected in 1988 under current law.

Total 1987 budget authority of \$715 million, an increase of \$31 million over 1987, is proposed to operate and maintain the national park system's 338 units and 79 million acres. The total budget authority includes \$74 million to be financed by increased entrance and user fees.

Other Natural Resources.—These activities focus on the understanding, conservation, and careful husbandry of the Earth's resources, structure, and environment through research and development and information dissemination programs. They comprise elements of the Geological Survey (USGS), the Bureau of Mines (BOM), and the National Oceanic and Atmospheric Administration (NOAA).

USGS 1988 budget authority totals \$420 million and reflects proposed reductions for numerous lower priority program activities.

Budget authority of \$119 million is requested for the Bureau of Mines. No funds have been requested for the Mineral Institutes program. BOM research activities will be focused on long-term projects with high potential benefit. The 1988 budget proposal also includes the privatization of Federal helium operations. All helium operation assets are proposed for sale. However, BOM will retain the helium inventory for Federal agency use.

For the NOAA programs, budget authority for this category reflects an increase of 6 percent in budget authority to \$1,130 million in 1988. Increased funding is included for the procurement of the next generation of polar-orbiting weather satellites, doppler weather radars, automated surface observation and weather information processing systems, and commercialization of the Land Remote Sensing Satellite (Landsat) program. Reductions are proposed for State and industry financial assistance and lower priority research and service programs. Funding for other life safety, resource management and development programs, and atmospheric and oceanic research and services is maintained.

The administration proposes a \$6 marine fishing license for both commercial and recreational fishing, to offset partially the costs of managing and conserving this exhaustible natural resource. Coastal states will retain one-half of the license fee. The budget assumes a 3-year phase-in of the Federal share of the fee from \$46 million in 1988 to \$69 million by 1990. Upon enactment of the fishing license, the administration will request a \$29 million increase for fisheries management programs. Part 4 provides a more complete discussion of governmental receipts.

Offsetting Receipts.—Offsetting receipts from the entire natural resources and environment function—primarily from user fees, sales of products, rents and royalties—are expected to rise from \$2.7 billion in 1987 to \$3.1 billion in 1988. More than half of these collections are rents and royalties.

Credit Programs.—The administration proposes to (1) sell about \$350 million of Bureau of Reclamation loans (with proceeds from the sale estimated at \$154 million), and (2) continue funding 11 ongoing Bureau loans. These direct loans are made to local government project sponsors, generally for construction and rehabilitation of irrigation systems and for storage of municipal or industrial water supplies.

CREDIT PROGRAMS—NATURAL RESOURCES AND ENVIRONMENT

(In millions of dollars)

	1986 actual	Estimate			
		1987	1988	1989	1990
Direct loans:					
Water resources and other:					
New obligations	79	44	27	22	15
Change in outstandings	64	64	-336	19	26
Outstandings	541	606	270	289	315
Total, new obligations	79	44	27	22	15

Tax Expenditures.—As an incentive to encourage production, certain capital costs associated with exploration and development of nonfuel minerals may be recovered at preferentially rapid rates. In addition, most nonfuel mineral extractors are permitted to use percentage depletion, rather than cost depletion. Percentage depletion is more generous than cost depletion in that total deductions are not limited to the cost of the investment. The estimates for these two provisions are \$35 million and \$300 million, respectively, in 1988.

Beginning in 1987, the Tax Reform Act of 1986 eliminates the use of State and local government debt to finance privately owned pollution control facilities and caps the use of such debt to fund waste disposal facilities of private firms. Previously, investment for all of these purposes could be financed at below market interest rates because the interest is excluded from income subject to Federal income tax. The estimated cost for 1988 is \$1.9 billion.

Prior to 1987, a special 25 percent tax credit was available for expenditures made to restore certain historic structures. The Tax Reform Act of 1986 reduced the credit to 20 percent. The 1988 cost estimate is \$420 million.

Special benefits are provided to the timber and iron industries in order to encourage production. The gains on the cutting of timber and royalties from iron ore deposits are taxed at capital gains rates, which are lower than rates on ordinary income. However, the Tax Reform Act of 1986 has repealed the special capital gains rates beginning with 1987, but constrains the maximum rate to 28 percent for that year. Therefore, there will no longer be a tax expenditure for this provision in 1988. The act exempted timber growers from the newly codified rules for capitalizing production and holding costs for all producers of goods beginning in 1987. In 1988, this tax expenditure will cost an estimated \$430 million. Private forestry is encouraged additionally because a limited amount of reforestation expenditures are eligible for special tax credits and write-offs that will cost \$330 million in 1988.

Tax expenditures for natural resources and environment total an estimated \$3.4 billion in 1988.

AGRICULTURE

Federal agricultural programs help meet domestic and international trade demands for food and fiber while mitigating the adverse effects of price fluctuations on farmers. To improve U.S. agriculture's competitive position in world markets and strengthen the Farm Credit System, the administration will act under two major recently enacted laws: the Food Security Act of 1985 (known as the farm bill); and the Farm Credit Amendments Act of 1985. The farm bill permits a greater market orientation in the Federal Government's farm price support programs. The Farm Credit Act provides the needed authority for the Farm Credit System to deal more effectively with its current financial problems.

The administration will propose legislation to modify farm commodity price support programs to ensure a fair deal for taxpayers while meeting commitments to America's farmers.

The administration's request for the Farmers Home Administration (FmHA) contains almost \$4 billion in budget authority for agricultural credit in 1988 to help ensure that viable but high risk farmers have operating credit available to continue operations. Within this level of credit authority direct Government lending is reduced and guarantees of private loans are increased. This trend began in 1986 and was ratified by the farm bill.

In addition, the budget proposes to scale down Federal intervention and subsidies in other areas of agriculture, particularly in crop insurance, applied research, and other business services.

Farm Income Stabilization.—Outlays on farm income stabilization programs are estimated to drop from \$29.2 billion in 1987 to \$24.5 billion in 1988.

Commodity Price Support and Related Programs.—These programs were created to stabilize, support, and protect farm income and prices, and to provide consumers with a dependable supply of agricultural products at affordable prices. Price and income support activities currently constitute the largest portion of Federal Government expenditures in the agricultural sector of the economy.

The Department of Agriculture (USDA), working through the Commodity Credit Corporation (CCC), provides income support through deficiency payments, and price support through loans to farmers. Deficiency payments are made to farmers based on the difference between target prices that are set by law and the higher of either the market price or loan level. Through these payments, the Government guarantees farmers a certain level of income. Using their crops as collateral, farmers also have access to price-support loans that enables them to hold their crop for later sale. If

NATIONAL NEED: IMPROVED AGRICULTURE

(Functional code 350; in millions of dollars)

Major missions and programs	1986 actual	Estimate			
		1987	1988	1989	1990
BUDGET AUTHORITY					
Farm income stabilization:					
Commodity price support and related programs:					
Existing law	23,085	21,514	16,069	21,325	21,245
Proposed legislation			308	-3,663	-6,232
Crop insurance:					
Existing law	344	345	500	444	443
Proposed legislation			-157	-270	-324
Agricultural credit:					
Existing law	4,627	3,506	3,685	4,552	4,749
Proposed legislation			50	-115	22
Other programs and unallocated overhead	9	*			
Subtotal, Farm income stabilization	28,065	25,365	20,456	22,273	19,903
Agricultural research and services:					
Research programs:					
Existing law	775	834	783	785	786
Proposed legislation			*	*	*
Extension programs	328	332	263	263	263
Marketing programs:					
Existing law	133	134	140	140	140
Proposed legislation			-40	-40	-41
Animal and plant health programs:					
Existing law	310	308	303	300	295
Proposed legislation			-86	-86	-87
Economic intelligence	182	188	200	201	201
Other programs and unallocated overhead:					
Existing law	206	211	247	244	238
Proposed legislation			-4	-4	-4
Offsetting receipts	-97	-99	-102	-102	-102
Subtotal, Agricultural research and services	1,836	1,910	1,703	1,698	1,689
Total, budget authority	29,901	27,275	22,158	23,972	21,592

* \$500 thousand or less.

market prices are below the price-support loan rate determined by law, the producer can default on the loan without penalty, forfeiting the loan collateral as settlement of the loan.

The administration does not plan to provide advance deficiency payments on 1988 crops during FY 1988. In addition, the administration plans to utilize fully the discretion provided in the farm bill to set price supports at market clearing levels. The elimination of artificially high price supports should increase U.S. exports, thereby reducing the need for export subsidies. The value of agricultural exports in 1986 was \$26.3 billion, while imports totaled \$20.9 billion, resulting in a positive agricultural trade balance of \$5.4 billion. The importance of agricultural trade to the economic health of the farm sector and the nation as a whole mandates the continued reliance on free markets for farm products.

NATIONAL NEED: IMPROVED AGRICULTURE

(Functional code 350; in millions of dollars)

Major missions and programs	1986 actual	Estimate			
		1987	1988	1989	1990
OUTLAYS					
Farm income stabilization:					
Commodity price support and related programs:					
Existing law.....	25,891	25,288	20,978	21,325	21,245
Proposed legislation.....			308	—3,663	—6,232
Crop insurance:					
Existing law.....	516	637	672	481	409
Proposed legislation.....			—190	—270	—332
Agricultural credit:					
Existing law.....	3,234	3,187	2,888	2,059	1,420
Proposed legislation.....			—133	68	21
Other programs and unallocated overhead.....	—33	51			
Subtotal, Farm income stabilization.....	29,608	29,163	24,524	20,000	16,531
Agricultural research and services:					
Research programs:					
Existing law.....	761	832	880	843	805
Proposed legislation.....			—*	—*	—*
Extension programs.....	340	332	274	263	263
Marketing programs:					
Existing law.....	154	152	140	140	140
Proposed legislation.....			—40	—40	—41
Animal and plant health programs:					
Existing law.....	283	298	303	303	295
Proposed legislation.....			—86	—86	—87
Economic intelligence.....	197	188	198	200	201
Other programs and unallocated overhead:					
Existing law.....	203	218	246	244	239
Proposed legislation.....			—4	—4	—4
Offsetting receipts.....	—97	—99	—102	—102	—102
Subtotal, Agricultural research and services.....	1,841	1,921	1,809	1,760	1,708
Total, outlays.....	31,449	31,084	26,333	21,760	18,240

*\$500 thousand or less.

The administration will propose legislation to modify farm commodity price support programs in order to move to a more market-oriented agricultural sector and to expand export markets.

In the past 5 years, spending on price support programs has increased over 500 percent—rising from \$4.0 billion in 1981 to \$25.8 billion in 1986. If made directly, the 1986 outlays would amount to an average payment of more than \$16,000 to each of the 1.6 million farm families. It would be enough to pay almost \$42,000 to each of the 619,000 commercial sized farms in the U.S. In comparison, in calendar year 1985, U.S. median family income was \$27,735. On average, more than \$425 of each nonfarm family's taxes was spent to support farm prices and incomes in 1986.

Despite this enormous commitment of resources, in part because of contradictory and counterproductive farm programs, economic

conditions in agriculture are not good. This situation is untenable and must be changed.

Farm programs base certain direct payments and price support loans on the volume of crops produced, so that higher production leads to higher Federal benefits. Consequently, farmers overproduce, which causes commodity prices to decline. Because current crop programs are designed to support farm income when prices decline, this overproduction generates ever-increasing Federal support.

In addition, too much Federal money goes to a relatively small proportion of farmers who tend to be the owners of the largest and most efficient farms. In 1985, two-thirds of American farmers did *not* receive price supports. Of the one-third who did, those with annual sales of more than \$100,000 received almost 70 percent of the payments. Moreover, during 1986, 12 percent of those receiving subsidies for producing cotton received more than half the total payments, with some individual farmers receiving millions of dollars. Similarly, 50 of the largest rice producers received subsidies of over \$1 million each in 1986.

Finally, certain farm programs are directly counter to the Federal Government's international objectives and responsibilities. For example, the Government's support for domestic sugar producers conflicts with the policy to encourage increased trade between the United States and the Philippines and certain Caribbean countries.

The administration's proposal will address the major shortcomings of the 1985 farm bill, but will retain that bill's basic price support mechanisms. Outlay savings of \$24 billion over the 1988-1992 period are projected to result from enactment of these proposals.

Specifically, the administration's proposed changes will modify farm programs to:

- remove the incentive for farmers to overproduce by decoupling program benefits from the obligation to harvest certain crops;
- limit to \$50,000 (instead of \$250,000 under current law) the amount of Federal payments each farmer may receive;
- close loopholes that make current payment limitations ineffective for a large number of farmers; and
- reduce target prices by 10 percent per year in order to reduce incentives for farmers to overproduce.

These proposals are made within the basic structure of the Food Security Act of 1985. The administration's proposal will continue to help America's family farmers adjust to changing world economic conditions. However, this help will be provided equitably, without placing an unnecessary burden on the general taxpayer and without giving some farmers undue advantage or favored treatment.

The administration will also seek to make changes in the counterproductive sugar program to make it more market-oriented while providing adjustment assistance to current program participants.

Crop Insurance.—Since 1938, the Federal Crop Insurance Corporation (FCIC) has offered insurance to producers against crop losses from natural hazards such as excessive rainfall or drought. In 1980, legislation was enacted to develop a market for self-sustaining private crop insurance. Today, all-risk crop insurance is available in more than 3,000 agricultural counties and more than 90 percent is delivered by private companies. Insurance in force is expected to reach \$8.6 billion in 1988, an increase of \$200 million over the 1987 estimate. The budget proposes privatization of crop insurance services and a 5-year phaseout of the Federal role. Over the phaseout period, premium rates will be increased to an actuarially sound level, and all Federal subsidies will be eliminated. FCIC will continue to provide a reinsurance function operated on a business-like basis.

Agricultural Credit.—The Nation relies on private credit for agriculture, as in other sectors of the national economy. However, the Farmers Home Administration (FmHA) currently holds about 13 percent of total farm debt outstanding, primarily for family farmers with limited resources. At the end of 1986, outstanding FmHA agricultural credit insurance fund direct loans totaled \$28.7 billion. The FmHA has lent over 50 percent of this amount during the last 10 years. In 1986 alone, new direct lending totaled \$2.8 billion, with 8 percent of this amount for disaster loans.

Farm operating direct and guaranteed loan activity in 1987 is estimated to be \$3.5 billion. The 1988 budget proposes \$3.5 billion in direct and guaranteed farm operating lending, continuing to shift gradually away from direct Federal lending to Federal guarantees of private loans as provided for in the farm bill. Disaster loan programs are proposed to be funded at levels used in recent years, \$295 million. No new Federal funds or guarantees are budgeted for farm ownership. Also, as mandated in the farm bill, \$185 million will be available in 1988 for interest rate buy-downs on guaranteed loans.

Agricultural Research Programs.—The proposed 1988 research program increases genetic and biotechnology research to improve the competitiveness and profitability of U.S. agriculture. Research will be conducted in areas of plant and animal productivity, commodity conversion, conservation, and human nutrition. The 1988 program emphasizes long-term, basic research rather than applied research and product development, which are more appropriately

CREDIT PROGRAMS—AGRICULTURE

(In millions of dollars)

	1986 actual	Estimate			
		1987	1988	1989	1990
Direct loans:					
Commodity price support and related loans:					
New obligations	17,719	17,803	13,488	11,202	10,236
Change in outstandings	6,504	-2,017	-2,419	-1,246	-1,512
Outstandings	21,608	19,591	17,172	15,925	14,413
Agricultural credit insurance fund:					
New obligations	2,799	1,817	1,295	500	400
Change in outstandings	136	-924	-1,135	-1,596	-1,731
Outstandings	28,698	27,775	26,639	25,043	23,312
Total, direct loans:					
New obligations	20,518	19,620	14,783	11,702	10,636
Change in outstandings	6,639	-2,941	-3,555	-2,842	-3,243
Outstandings	50,306	47,365	43,811	40,968	37,725
Guaranteed loans:					
Commodity price support and related loans:					
New commitments	2,503	5,500	3,500	3,500	3,500
Change in outstandings	-1,485	3,428	745	322	-317
Outstandings	3,609	7,038	7,782	8,104	7,788
Agricultural credit insurance fund:					
New commitments	1,560	2,498	2,500	3,500	3,600
Change in outstandings	776	1,098	1,175	957	1,284
Outstandings	2,161	3,258	4,434	5,391	6,675
Total, guaranteed loans:					
New commitments	4,062	7,998	6,000	7,000	7,100
Change in outstandings	-709	4,526	1,920	1,279	968
Outstandings	5,770	10,296	12,216	13,495	14,463
Total, new obligations and new commitments	24,580	27,618	20,783	18,702	17,736

financed by private industry. Budget authority of \$783 million is requested for these activities in 1988.

Extension Programs.—The Federal Extension Service, States, and localities finance the Cooperative Extension System. This system provides social and economic services in agriculture, home economics, community development, and 4-H youth programs. Federal support, which accounts for only one-third of the resources available to the system, is proposed to decrease from \$332 million to \$263 million in budget authority in 1988. The administration proposes to reduce funding for the Extension Service by terminating *categorical* grants to States that are used for such programs as urban gardening, pest management, support for rural development centers, financial management, and food and nutrition education. These programs can be funded out of the formula grant program, which is proposed to be \$238 million in 1988, an increase of approximately \$8 million over the 1987 level.

Marketing Programs.—The Federal Government provides a variety of services to aid in the orderly marketing of farm products such as grain inspection and weighing; tobacco inspection; cotton classification; and meat, poultry, and livestock grading. Most of these services are now provided on a user fee basis. Legislation will be proposed to finance more services with user fees including compliance and standardization for Federal grain inspection, market news information and other activities of the Agricultural Marketing Service. These new fees are estimated to generate \$40 million in additional offsetting collections in 1988.

Animal and Plant Health.—The Federal Government carries out a number of programs to prevent the introduction and spread of plant and animal pests and diseases that can cause severe losses in crop yields or livestock. Outlays in 1988, estimated to be \$303 million, include funds to support the eradication of brucellosis infection in domestic livestock through a Federal-State-industry cooperative program. The goal is to eradicate brucellosis by 1991, after which time the Federal role will be reduced to surveillance only. New user fees totaling about \$86 million are proposed for services rendered through the agricultural quarantine inspection, import-export inspection, veterinary biologics and veterinary diagnostics programs.

Tax Expenditures.—Agriculture is promoted by several tax expenditures. Farmers are permitted to deduct the costs of soil and water conservation projects on their land. In addition, the Tax Reform Act of 1986 permits farmers and timber growers to deduct the costs of producing products that have multi-year growing seasons. In contrast, non-agricultural entities are required to capitalize the costs of multi-year production processes. The tax expenditures for these two agricultural deductions are estimated to be \$530 million and \$5 million, respectively, in 1988.

The 1986 tax legislation repealed the capital gains benefit farmers could derive from the sale of such products as livestock, which were treated as capital assets. However, farmers were accorded a new tax expenditure that provides for preferential treatment when collateralized loans are settled for less than the principal owed. This preferential treatment will cost \$10 million in 1988. Additionally, under the act, farmers will gain \$310 million in 1988 through a special refund of previously unused investment tax credits.

Altogether, the estimated 1988 cost of tax expenditures in support of agriculture is \$795 million.

COMMERCE AND HOUSING CREDIT

The Federal Government seeks to support an environment in which all sectors of the economy may compete equally for credit. Commerce and housing credit programs supplement private sector financing of business and housing by providing assistance for mortgage credit, deposit insurance and other subsidies for business. This function also includes non-credit programs for the advancement of commerce.

The budget proposals reflect the administration's goals of maintaining low-inflation, growth-oriented monetary and fiscal policies, reducing Federal intervention in private markets, and making existing programs more efficient. These policies have brought about the lowest interest rates in nearly a decade. These low rates have resulted in over 700,000 new business incorporations last year and the strongest levels of housing starts and home sales since the 1970's. Because of the booming private sector activity in this area, the budget proposes to reduce, terminate, or privatize programs in which the beneficiaries can be better served by the private sector. The budget also proposes to raise user fees for credit programs in which the Government does not recover the full program costs and unfairly competes with the private sector.

The budget proposes \$8.8 billion in budget authority in 1988 and \$2.5 billion in estimated outlays for commerce and housing credit. Mortgage credit and deposit insurance programs and activities are a major portion of the assistance, with \$3.6 billion in proposed budget authority in 1988. In addition, the budget proposes \$1.4 billion in direct loan obligations and \$73.8 billion in guaranteed loan commitments in 1988.

Mortgage Credit and Deposit Insurance.—In support of both the housing and financial markets, the Federal Government's primary goal is to have fiscal and monetary policies that result in stable, non-inflationary economic growth. Additionally, the Government has long provided direct support—in the form of grants, and direct and guaranteed loans—to those areas of the economy that the private sector may not adequately serve.

Mortgage-Backed Securities.—The Government National Mortgage Association (GNMA) supports the mortgage market through guarantees of mortgage-backed securities issued by private lenders and backed by mortgages that are insured by the Federal Housing Administration (FHA) or guaranteed by the Veterans Administration. The GNMA guarantee enhances the saleability of these securities in the capital markets. In 1987, guarantees are expected to be issued on \$87.7 billion in securities. For 1988, the administration proposes a new commitment limitation of \$100 billion, as shown in

NATIONAL NEED: COMMERCE AND HOUSING CREDIT

(Functional code 370; in millions of dollars)

Major missions and programs	1986 actual	Estimate			
		1987	1988	1989	1990
BUDGET AUTHORITY					
Mortgage credit and deposit insurance:					
Mortgage purchase activities (GNMA)		1			
Mortgage credit (FHA and other)	137	90	432	704	877
Housing for the elderly or handicapped	493	415			
Rural housing programs (FmHA)	3,036	2,476	3,125	3,039	2,766
Federal Savings and Loan Insurance Corporation and other	3,000				
Subtotal, Mortgage credit and deposit insurance	6,666	2,982	3,557	3,743	3,643
Postal Service:					
Existing law	2,504	3,183	2,972	2,178	2,084
Proposed legislation			376	552	735
Subtotal, Postal Service	2,504	3,183	3,348	2,731	2,819
Other advancement of commerce:					
Small and minority business assistance	757	569	384	465	485
Science and technology	323	334	425	432	439
Economic and demographic statistics	217	298	511	684	1,528
International trade and other	493	551	561	556	549
Subtotal, Other advancement of commerce	1,790	1,751	1,882	2,137	3,001
Total, budget authority	10,960	7,916	8,787	8,610	9,463

the credit programs table in this section. Of that amount, new guarantees are estimated to be issued on \$67.0 billion in securities.

The administration is adopting a Grace Commission recommendation to increase the guarantee fee that GNMA currently charges mortgage-backed securities issuers from 6 basis points to 10 basis points. This fee is closer to that charged by other issuers of mortgage-backed securities and is part of a coordinated effort to increase opportunities for private sector activity in the secondary mortgage market for home mortgages.

Mortgage Credit.—The FHA provides mortgage insurance on single-family homes, apartments, manufactured housing, and health care facilities. This insurance protects lenders from loss in the event of default on loans. The single-family mortgage insurance program (the largest of the FHA programs) is currently available to all qualified applicants regardless of income level. The program has liberal underwriting and nominal downpayment requirements intended to assist low- and moderate-income families who otherwise would not be able to afford to buy a home. However, many families using the FHA program may be qualified for private mortgage insurance. Over the past year, the administration has been studying the extent to which FHA activity duplicates private mort-

gage insurance activity. A report will be forthcoming this spring from the Department of Housing and Urban Development (HUD), which will analyze the extent of duplication as well as feasible approaches to transferring duplicative business to the private sector.

There are two clear-cut areas of overlap between FHA and the private sector that the administration addresses in the 1988 budget: mortgage insurance for families earning over \$40,000 per year and for buyers of non-primary residences. Beginning in 1988, families earning over \$40,000 would be required to make a minimum 5 percent downpayment to participate in the FHA mortgage insurance program—consistent with the downpayment requirements in the private mortgage insurance (PMI) industry. Families in the top quartile of the income distribution tend to make higher downpayments than the average FHA mortgagor and are better able to accumulate the financial resources needed to buy a home. In addition, legislation will be proposed to limit the FHA single-family program to purchasers of primary residences in order to target limited credit subsidies to homebuyers rather than investors.

The budget would prohibit the inclusion of closing costs as part of the mortgage, although the mortgage insurance premium could continue to be financed. This would make the FHA policies on closing costs consistent with those for conventional mortgages and would reduce the risk of default by ensuring that the home buyer has a greater stake in the home.

Consistent with the administration's initiative of instituting, and in some cases raising, credit user fees, legislation will be proposed to allow FHA to charge a mortgage insurance premium comparable to private market premiums. An increase from 3.8 percent to 5.0 percent is estimated to bring the FHA premium in line with those that private insurers would have to charge to provide comparable guarantees and would permit FHA to pay for the full cost of reinsuring its loan guarantees under the credit reform proposal, as discussed in Part 3b.

Housing for the Elderly or Handicapped.—The housing program for elderly and handicapped households provides direct loans at subsidized rates to non-profit organizations for the construction of housing for the very-low-income elderly and the handicapped. Projects are also subsidized by the Section 8 rental assistance program in HUD, described in the income security function.

The administration proposes to address the needs of elderly and handicapped households primarily through the rental housing voucher program rather than housing construction programs. Vouchers allow low-income households to shop for their own housing in the existing rental market. For 1988, the budget proposes a limited construction program of 2,000 units financed by a supple-

NATIONAL NEED: COMMERCE AND HOUSING CREDIT

(Functional code 370; in millions of dollars)

Major missions and programs	1986 actual	Estimate			
		1987	1988	1989	1990
OUTLAYS					
Mortgage credit and deposit insurance:					
Mortgage-backed securities (GNMA)	— 293	— 315	— 399	— 451	— 506
Mortgage purchase activities (GNMA)	— 790	— 373	58	— 6	— 5
Mortgage credit (FHA and other):					
Existing law	— 1,750	— 2,398	— 2,574	— 2,179	— 2,450
Proposed legislation			— 487	— 401	— 454
Housing for the elderly or handicapped	531	515	47	489	304
Rural housing programs (FmHA)	3,235	498	834	562	205
Federal Deposit Insurance Corporation	262	4,046	1,535	— 458	— 620
Federal Savings and Loan Insurance Corporation and other:					
Existing law	1,072	3,745	850	800	800
Proposed legislation			— 1,550	— 783	— 501
National Credit Union Administration	— 368	— 203	— 326	— 226	— 256
Subtotal, Mortgage credit and deposit insurance					
	1,899	5,515	— 2,013	— 2,653	— 3,483
Postal Service:					
Existing law	758	1,781	2,669	1,051	1,054
Proposed legislation			376	552	735
Subtotal, Postal Service					
	758	1,781	3,045	1,604	1,789
Other advancement of commerce:					
Small and minority business assistance	774	627	5	118	520
Science and technology	334	479	411	430	436
Economic and demographic statistics	209	270	491	635	1,617
International trade and other	475	628	594	547	539
Subtotal, Other advancement of commerce					
	1,790	2,004	1,501	1,730	3,113
Total, outlays					
	4,448	9,300	2,533	680	1,419

mental legislative request to extend the availability of 1987 funds into 1988. This would permit the construction of 10,000 units in 1987, a small reduction from the 11,500 units constructed in 1986. Loan asset sales of \$500 million are assumed in 1988 and outlays for this program are estimated to be \$515 million in 1987 and \$47 million 1988.

Rural Housing Programs.—The administration proposes to establish a voucher program, discussed in the income security function, to replace the two principal loan programs of the Farmers Home Administration (FmHA). As in metropolitan areas where vouchers are already in use, vouchers increase household choices and permit more efficient use of private market housing. The administration proposes to terminate those traditional lending programs that have not been cost-effective in helping low-income families move to standard housing units.

Credit and Banking.—A number of programs enhance the safety and soundness of the banking system and affect its responsiveness to the needs of both savers and borrowers. The *Federal Deposit Insurance Corporation* (FDIC) insures the deposits of all federally chartered and many State-chartered commercial and savings banks. A record number of FDIC-insured banks failed in 1986. A significant portion of the failed banks suffered unsustainable losses caused by weaknesses in the agricultural economy. The net loss incurred by the fund in 1986 was \$42 million, resulting in an equity balance of \$18.8 billion. Increased bank closing activity is estimated to lead to net losses of \$1.9 billion in 1987 and \$408 million in 1988. FDIC equity is projected to decline to an estimated \$16.5 billion by the end of 1988.

CREDIT PROGRAMS—COMMERCE AND HOUSING CREDIT

(In millions of dollars)

	1986 actual	Estimate			
		1987	1988	1989	1990
Direct loans:					
Mortgage-backed securities (GNMA):					
New obligations	8	802	306	196	128
Change in outstandings	7	*	*	-2	-2
Outstandings	10	10	10	8	6
Mortgage purchase activity (GNMA):					
Change in outstandings	-750	-522	-45	-1	-1
Outstandings	884	361	316	315	315
Mortgage insurance (FHA):					
New obligations	423	321	395	443	573
Change in outstandings	42	-393	-476	6	-109
Outstandings	4,246	3,853	3,377	3,382	3,273
Housing for the elderly or handicapped:					
New obligations	556	502	131	24	14
Change in outstandings	523	521	3	464	284
Outstandings	6,189	6,710	6,713	7,177	7,460
Rural housing (FmHA):					
New obligations	1,826	508			
Change in outstandings	615	-2,594	-2,020	-2,139	-2,269
Outstandings	29,295	26,702	24,682	22,543	20,274
Central liquidity facility (NCUA):					
New obligations	31	56	72	150	150
Change in outstandings	-117	24	25	25	25
Outstandings	106	129	154	179	204
Small business assistance:					
New obligations	1,027	591	454	448	428
Change in outstandings	77	-181	-1,814	-1,486	152
Outstandings	4,950	4,769	2,956	1,470	1,622
FDIC:					
New obligations	128				
Change in outstandings	-194	-53	-1	-50	-50
Outstandings	3,423	3,370	3,369	3,319	3,269
FSLIC:					
New obligations	21	25	25	25	25
Change in outstandings	-73	8	25	15	15
Outstandings	1,686	1,694	1,718	1,733	1,748
Other:					
New obligations	8	13	14	7	7
Change in outstandings	-28	-10	-6	-8	-4
Outstandings	66	55	50	42	38

CREDIT PROGRAMS—COMMERCE AND HOUSING CREDIT—Continued

(In millions of dollars)

	1986 actual	Estimate			
		1987	1988	1989	1990
Total, direct loans:					
New obligations	4,027	2,819	1,397	1,293	1,325
Change in outstandings	102	-3,202	-4,308	-3,175	-1,959
Outstandings	50,854	47,652	43,344	40,169	38,210
Guaranteed loans:					
Mortgage-backed securities (GNMA) ¹ :					
New commitments	137,962	132,500	100,000	100,000	100,000
Change in outstandings	40,204	50,817	34,246	29,397	28,800
Outstandings	241,230	292,047	326,292	355,689	384,489
Mortgage insurance (FHA):					
New commitments	102,592	86,975	70,000	68,999	71,347
Change in outstandings	28,041	57,030	41,952	34,628	33,058
Outstandings	223,520	280,550	322,502	357,129	390,188
Rural housing (FmHA):					
Change in outstandings	-138	-15	-291	-184	-3
Outstandings	617	602	311	127	124
Small business assistance					
New commitments	2,780	3,617	3,510	3,510	3,510
Change in outstandings	-512	710	715	610	530
Outstandings	8,638	9,348	10,063	10,673	11,203
FSLIC:					
New commitments	506	103	300	100	100
Change in outstandings	438	53	294	50	50
Outstandings	2,952	3,005	3,299	3,349	3,399
Other:					
New commitments	25	52	1		
Change in outstandings	31	29	-23	-14	-12
Outstandings	220	249	226	211	199
Less guaranteed loans held as direct loans by GNMA ² :					
Change in outstandings	750	522	45	1	1
Outstandings	-884	-361	-316	-315	-315
Total, guaranteed loans:					
New commitments	105,903	90,746	73,811	72,609	74,957
Change in outstandings	28,610	58,328	42,692	35,090	33,624
Outstandings	235,065	293,393	336,084	371,175	404,798
Total, new obligations and new com- mitments	109,929	93,565	75,208	73,902	76,282

^{*} \$500,000 or less.¹ GNMA guarantees securities that are backed by pools of loans previously insured by FHA, VA, or FmHA. These secondary guarantees of loans are not included in the guaranteed loan totals on this table.² When guaranteed loans are acquired by another budget account, they are counted as direct loans in the credit budget. This deduction for GNMA eliminates double counting.

The *Federal Savings and Loan Insurance Corporation* under the direction of the Federal Home Loan Bank Board, insures deposits of member savings and loan associations and savings banks. While the thrift industry did exceptionally well in 1986, about 20 percent of thrifts experienced losses. Estimated 1987 outlays of \$3.7 billion, \$2.7 billion above 1986 outlays, reflect the mounting caseload of troubled institutions to be handled by FSLIC. To enable FSLIC to take the necessary action during the next few years, the administration proposes legislation to recapitalize the FSLIC fund. Through a new financing facility to be created and capitalized from

earnings of the Federal Home Loan Banks, funds would be raised in the long-term credit markets and invested in FSLIC stock. FSLIC would use the proceeds, in addition to its premium and investment income, to accelerate its efforts to close unprofitable and insolvent institutions. With recapitalization, cash receipts are anticipated to exceed cash disbursements in 1988. The equity balance of the fund is projected to increase from its 1986 level of \$3.6 billion to \$5.4 billion in 1988.

The National Credit Union Administration regulates credit unions, provides liquidity assistance to member credit unions, and insures depositors' accounts. The equity of the National Credit Union share insurance fund climbed from \$1.1 billion in 1985 to \$1.4 billion at the end of 1986.

In 1987 and 1988, insurance fund equity is expected to grow to \$1.6 billion and \$2.0 billion, respectively. Collections are expected to exceed gross outlays by \$226 million in 1987 and \$350 million in 1988.

Postal Service.—The U.S. Postal Service is an independent part of the executive branch. There are two components of Postal Service outlays: the subsidy for religious and charitable mailings (the revenue forgone appropriation) and the difference between receipts (e.g., stamp sales receipts) and disbursements. Total outlays for 1988 are estimated to be \$3.0 billion. Although the subsidy would be virtually eliminated, outlays would be \$1.3 billion greater than in 1987. Costs continue to rise, but rates will remain constant until late in 1988.

Consistent with a recent Postal Rate Commission study of subsidized postal mailings, the budget proposes to eliminate nearly all of the subsidy while continuing lower rates for most religious and charitable mailings. This would reduce outlays by \$523 million. The proposal would also eliminate some currently subsidized mailings and establish separate subclass pricing for the remaining reduced-rate payers. It would continue a small appropriation for worker compensation liabilities for the former Post Office Department, and free mail for the blind and for overseas voters.

The budget also proposes termination of the Postal Service's borrowing from the Federal Financing Bank for financing capital projects. Under this legislative proposal, any bonds issued by the Postal Service would be without Federal guarantee, and would be subject to the Securities and Exchange Commission's filing requirements, and all other requirements demanded of private corporate issues.

The administration's legislative proposals to reform the current civil service retirement system, discussed in the income security function, would require the Postal Service to begin paying the actuarial cost of employee pensions less the employer share. An-

other legislative proposal would require it to begin paying the cost of its annuitants' health benefit premiums.

Other Advancement of Commerce.—Federal programs attempt to support an environment for fair and equitable business opportunities and increase international competitiveness by providing technical assistance, developing and distributing scientific standards, collecting and disseminating information on the economy and population, administering U.S. trade laws, and providing export promotion assistance to small and medium-sized businesses.

Small and Minority Business Assistance.—The administration proposes to continue Federal credit assistance to small and minority businesses, primarily in the form of guaranteed, rather than direct, loans. Guaranteed loans of \$3.5 billion are proposed for the Small Business Administration (SBA) general business, small and minority enterprise business investment company, and development company programs in 1988. Except for \$20 million in debentures purchased from minority enterprise small business investment company, no direct business loans are proposed. An estimated \$434 million in direct loans will be made to repurchase defaulted guaranteed loans in 1988.

As part of the administration's effort to improve Federal credit management, increases in guarantee fees for SBA's programs and reductions in the Federal Government's contingent liability will be proposed. By increasing both the borrowers' and the lenders' share of default costs, these proposals encourage sounder credit origination decisions and should result in lower default rates. The budget also proposes to sell \$2.9 billion in loans between 1988 and 1989.

Other.—The U.S. Travel and Tourism Administration's (USTTA) international marketing program encourages foreign travel to the United States by providing technical assistance to private, State, and local tourism organizations. In 1988, the administration proposes financing the \$12 million program from a charge of \$1 per ticket for international travel to and from the United States, its possessions, and its territories. The charge would be collected through airline and cruise ship carriers, which are the primary beneficiaries of the program.

Financial Markets.—The Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC) are responsible for ensuring that the Nation's financial markets are kept efficient and fair. The securities, commodity futures and options markets perform important roles in the economy. The administration proposes increases in budget authority in 1988 for the SEC by 30 percent and the CFTC by 10 percent to strengthen these agencies, particularly in enforcement and market surveillance.

TAX EXPENDITURES FOR COMMERCE AND HOUSING CREDIT

(Outlay equivalents; in millions of dollars)

Description	Estimates		
	1986	1987	1988
Commerce and housing credit:			
Dividend exclusion	740	185	.....
Exclusion of interest on State and local industrial development bonds	2,470	2,635	2,805
Exemption of credit union income	285	270	250
Excess bad debt reserves of financial institutions	735	525	75
Exclusion of interest on life insurance savings	9,450	7,960	8,345
Deductibility of interest on consumer credit	18,155	10,835	5,560
Deductibility of mortgage interest on owner-occupied homes	30,670	23,840	19,855
Deductibility of property tax on owner-occupied homes	8,595	7,955	7,205
Exclusion of interest on State and local housing bonds for owner-occupied housing	1,900	2,010	2,035
Exclusion of interest on State and local debt for rental housing	1,275	1,335	1,320
Capital gains (other than agriculture, timber, iron ore and coal)	46,835	16,195	1,445
Deferral of capital gains on homes sales	2,960	5,240	6,550
Exclusion of capital gains on home sales for persons age 55 and over	1,275	2,255	2,820
Carryover basis of capital gains at death	7,690	13,600	17,010
Investment credit (other than employee stock ownership plans, rehabilitation of structures, energy property, and reforestation expenditures)	31,365	20,615	13,180
Special investment credit carryback rules for steel companies			565
Accelerated depreciation of rental housing	2,900	2,780	2,320
Accelerated depreciation of buildings other than rental housing	5,160	5,175	4,720
Accelerated depreciation of machinery and equipment	37,835	32,340	30,500
Safe harbor leasing rules	1,600	975	660
Amortization of start-up costs	330	285	220
Reinvestment of dividends in public utility stock	170		
Reduced rates on the first \$100,000 of corporate income	8,700	7,915	5,845
Deductions for special percentage of taxable income for life insurance companies	2,110	1,440	.....
Total (after interactions), commerce and housing credit ¹	219,600	163,720	130,540

¹ The estimate of total tax expenditures for this function reflects interactive effects among the individual items. Therefore, the estimates cannot simply be added.

Tax Expenditures.—There are numerous tax expenditure programs designed to increase the supply of savings, to encourage homeownership, and to reduce the cost of acquiring or financing the purchase of assets used in commerce. These are listed in the table. Some of the programs, such as the dividend exclusion to encourage stock ownership and the exclusion of interest on certain saving certificates, expired before 1987; others, such as the depreciation and bank bad debt reserve provisions, have been modified by the Tax Reform Act of 1986; and still others, such as the capital gains and investment tax credit, were repealed. Altogether, the estimated 1988 budget cost of these aids to commerce and housing credit is \$130.5 billion, 20 percent less than the \$163.7 billion total for 1987. A detailed description of these tax expenditure programs and the way they have been affected by the Tax Reform Act will be found in Special Analysis G.

COMMUNITY AND REGIONAL DEVELOPMENT

The Nation requires healthy and thriving communities to maintain the economic vitality and general well-being of society. Federal programs for community and regional development supplement State and local government efforts to sustain economic and social growth in urban and rural neighborhoods, communities, and regions. Specific programs assist particular regions, provide disaster relief, and accomplish the major goals of Federal Indian policy. Most of this assistance takes the form of grants, but direct and guaranteed loan programs exist as well.

In 1988, the administration will continue its effort to concentrate Federal resources on national priorities and provide maximum opportunity for State and local governments to meet their own local community and economic development needs. Shifting responsibility for economic development programs to the State and local levels brings both economic development funding and priority decisions closer to the people. To achieve this, the administration proposes to eliminate a number of Federal categorical programs currently providing support for specific local community and economic projects. The comprehensive and more flexible community development block grants (CDBG) program will be the principal vehicle for Federal support.

The administration is requesting budget authority of \$5.3 billion in 1988 for community and regional development, a reduction of 13 percent from the 1987 level. Outlays are estimated to total \$5.5 billion in 1988, a reduction of 11 percent from 1987.

Community Development.—The principal Federal program in this category is the community development block grant program, which is administered by the Department of Housing and Urban Development (HUD).

Community Development Block Grants (CDBG).—The community development block grant program provides Federal support for cities, counties, Indian tribes, and U.S. territories, to help them meet their community and economic development needs. After certain funds are set aside for the Secretary's discretionary fund, which provides grants for Indians, insular areas, technical assistance, and special projects in support of CDBG activities, CDBG funds are allocated by formula to States, large cities, and urban counties. Seventy percent of the funds allocated by formula go to the large city/urban county program and 30 percent to the State-administered small cities program. The States receive funds to distribute to smaller communities and rural areas in their jurisdictions.

NATIONAL NEED: COMMUNITY AND REGIONAL DEVELOPMENT

(Functional code 450; in millions of dollars)

Major missions and programs	1986 actual	Estimate			
		1987	1988	1989	1990
BUDGET AUTHORITY					
Community development:					
Community development block grants	3,023	2,625	2,510	2,625	2,625
Urban development action grants	316	20			
Rental rehabilitation	72	95	75	75	75
Rental development	72				
Other	244	231	227	212	213
Subtotal, Community development	3,726	2,971	2,811	2,912	2,913
Area and regional development:					
Rural development	1,552	1,857	1,306	1,772	1,612
Economic development assistance	216	130			
Indian programs	968	1,035	1,169	1,173	1,177
Regional commissions	120	77	1		
Tennessee Valley Authority	100	100	73	79	87
Offsetting receipts	- 273	- 298	- 298	- 300	- 302
Subtotal, Area and regional develop- ment	2,684	2,900	2,251	2,724	2,573
Disaster relief and insurance:					
Disaster relief	346	120	125	230	230
Other	129	80	77	77	78
Subtotal, Disaster relief and insurance ..	475	200	202	307	308
Total, budget authority	6,884	6,071	5,264	5,943	5,793

The administration proposes to rescind \$375.2 million of 1987 budget authority and establish the CDBG program level at \$2.6 billion for 1987 and 1988. The 1988 program level includes \$2.5 billion of new budget authority and a transfer of \$115 million from the rehabilitation loan fund upon its termination at the end of 1987. Although this will reduce the total resources available for the CDBG program, the administration is proposing legislation that would target assistance toward the most needy communities. Many communities with the resources to meet their own needs currently receive Federal aid from this program.

Urban Development Action Grants (UDAG).—The administration proposes to terminate the UDAG program and rescind \$238 million of budgetary resources in 1987 as part of the Government-wide effort to cut back categorical local economic development subsidy programs that distort economic investment choices and impose Federal priorities on State and local governments. These grant programs siphon productive resources from private investment projects to Government-subsidized projects that may provide local benefits, but are less efficient for the national economy as a whole. By approving awards to assist successful companies, major hotel chains, and large commercial banks, the UDAG program is misus-

NATIONAL NEED: COMMUNITY AND REGIONAL DEVELOPMENT

(Functional code 450; in millions of dollars)

Major missions and programs	1986 actual	Estimate			
		1987	1988	1989	1990
OUTLAYS					
Community development:					
Community development block grants	3,337	3,284	2,996	2,662	2,574
Urban development action grants	461	428	355	251	109
Rental rehabilitation	80	165	120	89	83
Rental development	62	157	162	— 5	.....
Other	155	219	28	112	221
Subtotal, Community development	4,095	4,254	3,661	3,109	2,986
Area and regional development:					
Rural development	1,505	609	565	149	— 173
Economic development assistance	253	330	170	70	43
Indian programs	957	1,036	1,145	1,130	1,131
Regional commissions	163	145	123	90	53
Tennessee Valley Authority	122	118	98	101	93
Other	— 5	— 2	— 12	— 9	— 8
Offsetting receipts	— 273	— 298	— 298	— 300	— 302
Subtotal, Area and regional develop- ment	2,723	1,937	1,791	1,231	837
Disaster relief and insurance:					
Small business disaster loans	— 172	— 457	— 304	— 188	— 119
Disaster relief	336	313	225	230	230
National flood insurance fund	144	— 23	— 9	— 27	— 31
Other	108	143	99	77	77
Subtotal, Disaster relief and insurance ..	416	— 24	11	92	157
Total, outlays	7,233	6,167	5,463	4,432	3,981

ing government dollars and diverting scarce capital from its best possible use. Cities may, at their discretion, continue to use remaining CDBG resources to assist economic development projects. The \$355 million in outlays estimated for this program in 1988 reflects the continued spendout of funds for projects approved in prior years.

The administration continues to support the enterprise zone concept as a more economically efficient approach for assisting structurally depressed local economies. Sometime during 1987 the administration intends to propose legislation to establish enterprise zones. The specific details of the new enterprise zone legislation would be determined following analysis of how enterprise zones can encourage business development most efficiently.

Rental Rehabilitation Grants.—In 1983, the administration proposed, and the Congress enacted, a new housing rehabilitation program to support the voucher program in communities with an insufficient supply of standard quality low- and moderate-income housing. The administration is proposing to rescind \$125 million of 1987 budget authority, which will provide \$95 million for the pro-

gram in 1987. The administration also proposes to provide \$75 million for rental rehabilitation grants in 1988—a level adequate to meet this program's objectives. Outlays in 1988 are estimated to be \$120 million.

Rental Development Grants.—In the Housing Urban-Rural Recovery Act of 1983, the Congress created a new rental development grant program to subsidize the construction or substantial rehabilitation of rental housing in low- and moderate-income neighborhoods experiencing a severe shortage of rental housing. This program was intended to be funded on a one-time demonstration basis for 2 years, with a total of \$315 million in budget authority made available. The administration proposes to discontinue this program and rescind \$99.6 million of 1987 budget authority as well as \$10 million in recaptured funds from previous years' appropriations. This program is a costly subsidy supporting construction of new rental units during a period of historically high vacancy rates, and, thus, cannot be justified. Furthermore, the program is not well targeted for low-income people—those most in need of housing assistance. Outlays in 1988 are estimated to be \$162 million from grants awarded in previous years.

Area and Regional Development.—Programs in this category support rural development, development programs of American Indian tribal governments, and multi-State regional development.

Rural Development.—The administration proposes to terminate the Farmers Home Administration (FmHA) rural development loan and grant programs that finance construction of water and waste-water systems and community facilities. Financing such projects is primarily a State and local responsibility, using the Nation's private credit system. When such financing is locally managed, communities are better able to determine the appropriate size of their own facilities and thus avoid unnecessary and overbuilt infrastructure. In addition, communities can move ahead on such facilities when they are needed rather than stand in line awaiting Federal help. Termination of these programs in 1988 will achieve outlay savings of approximately \$500 million.

Economic Development Assistance.—The Department of Commerce's Economic Development Administration (EDA) provides public works grants to States and communities, and loan guarantees to businesses. Because the grant program interferes in the decisionmaking process of States and local governments by approving local projects at the Federal level, and the loan guarantee program distorts private financial markets by funding projects that would not merit resources under other criteria, the administration

proposes to terminate the EDA and rescind the unobligated portion of the 1987 appropriation.

Indian Programs.—The three major objectives of Federal Indian policy are to fulfill the trusteeship responsibilities of the Federal Government, to increase self-determination for American Indian tribal governments, and to encourage economic development on Indian reservations.

Outlays for regional development from the Indian programs and miscellaneous trust funds administered by the Bureau of Indian Affairs are estimated to be \$1.0 billion in 1987 and \$1.1 billion in 1988. The Department of Housing and Urban Development also provides community development support specifically for Indians through a set-aside in the community development block grant program described above. Total Federal outlays for special Indian programs Government-wide, including programs in other functions such as income security and education, are expected to be \$2.9 billion in 1988. This amount does not include payments received by Indians from several trust funds established for their benefit or from programs serving all qualified U.S. citizens.

Appalachian Regional Commission (ARC).—The ARC was established in 1965 to provide economic development assistance to the 13-State Appalachian region. Since 1965, more than \$5 billion in Federal funds has supported highway construction and financed community development-related facilities. The administration proposes to terminate ARC and rescind the unobligated portion of the 1987 congressional appropriation. ARC highway funds unnecessarily duplicate the Department of Transportation's Federal Highway program. ARC development programs target resources to rural districts that are no worse off economically than rural communities in other parts of the country, and therefore not deserving of special injections of Federal resources.

Tennessee Valley Authority (TVA).—The administration proposes to terminate direct support for TVA's regional economic and community development programs, which are more appropriately private or State and local government responsibilities. These programs have included activities such as assistance to cities, towns and businesses, and the promotion of tourism, forestry and wildlife. To the extent that Federal assistance might be warranted, it can be allocated more equitably by programs administered nationally by other Federal agencies. TVA's basic responsibilities for water resources systems management and fertilizer research would continue. Outlays for TVA's activities in this function are estimated to be \$98 million in 1988, down from \$118 million in 1987. The TVA

power program, financed through the sale of electricity, is unaffected by this reduction and is discussed in the energy function.

Disaster Relief and Insurance.—Providing insurance against losses from floods, hurricanes, tornadoes, and other natural disasters is primarily the responsibility of private insurers. State and local governments aid recovery when necessary, and Federal insurance and disaster relief programs are available to supplement State and local resources when those resources are insufficient.

Small Business Disaster Loans.—The Small Business Administration (SBA) provides loans to homeowners and businesses for uninsured losses suffered as a result of physical disasters. In order to be eligible for the loans, recipients must be able to demonstrate the financial ability to repay the loans. These loans are currently available to borrowers at an interest rate of 4 percent if credit cannot be obtained elsewhere (i.e., if the borrower is not likely to satisfy commercial credit requirements) and no more than 8 percent if credit can be obtained from private sources. The administration will propose legislation to limit this program to those homeowners and businesses unable to obtain credit elsewhere and to raise the interest rate to the Treasury rate plus 1 percent. In order to allow those who would no longer be eligible for the program time to obtain adequate insurance coverage or make other preparations for potential disaster losses, the change in eligibility would not be effective until 1989. These changes are designed to encourage those homeowners and businesses who can afford to obtain and maintain adequate insurance coverage against disaster-related losses to rely upon these alternatives instead of relying on direct Federal loans at preferential interest rates. The General Accounting Office has found that insurance is a better form of disaster protection than direct Federal loans. The administration also proposes to sell the disaster loan portfolio over 6 years beginning in 1987.

Disaster Relief.—The Federal Emergency Management Agency administers this nationwide program, which provides supplemental assistance to individuals and State and local governments in the event of a Presidentially-declared emergency or disaster. In addition, States or Federal agencies may be reimbursed for disaster relief work performed under this authority. Outlays are estimated at \$225 million in 1988.

National Flood Insurance Fund.—The Federal Emergency Management Agency operates a national program of direct Federal flood insurance at subsidized rates. Since the program began in 1968, losses have amounted to \$1.4 billion. The administration proposes to eliminate this costly subsidy by 1988 through a combina-

tion of rate increases, coverage changes, and optional deductibles, thereby recovering clearly allocable costs of flood insurance from beneficiaries of this program. Receipts for this program are estimated to exceed outlays by \$8 million in 1988.

CREDIT PROGRAMS—COMMUNITY AND REGIONAL DEVELOPMENT

(In millions of dollars)

	1986 actual	Estimate			
		1987	1988	1989	1990
Direct loans:					
Rural development (FmHA):					
New obligations	421	107			
Change in outstandings	245	-1,518	-769	-860	-1,035
Outstandings	7,990	6,471	5,702	4,842	3,806
Economic development assistance:					
New obligations	5	152	8	7	6
Change in outstandings	-62	99	-41	-40	-37
Outstandings	568	668	626	587	550
Small business disaster loans ¹ :					
New obligations	516	325	350	310	310
Change in outstandings	-334	-939	-864	-744	-652
Outstandings	4,222	3,283	2,419	1,675	1,023
Rural telephone bank:					
New obligations	128	149	93	46	
Change in outstandings	51	64	-493	-490	-211
Outstandings	1,434	1,498	1,005	515	304
Other:					
New obligations	93	108	18	17	17
Change in outstandings	-19	-32	-650	-519	-68
Outstandings	1,727	1,695	1,045	526	458
Total, direct loans:					
New obligations	1,163	841	469	70	23
Change in outstandings	-119	-2,326	-2,817	-2,653	-2,003
Outstandings	15,941	13,615	10,798	8,145	6,142
Guaranteed loans:					
Rural development (FmHA):					
New commitments	55	115			
Change in outstandings	-285	-290	-465	-316	-220
Outstandings	2,626	2,337	1,871	1,555	1,335
Economic development assistance:					
New commitments	22	22			
Change in outstandings	51	-149	-17	-16	-14
Outstandings	286	137	120	104	90
Small business disaster loans:					
Change in outstandings	*	*	*	*	*
Outstandings	3	3	2	2	2
Other:					
New commitments	118	190	34	28	20
Change in outstandings	20	160	82	-35	-47
Outstandings	217	377	459	424	377
Total, guaranteed loans:					
New commitments	195	327	34	28	20
Change in outstandings	-215	-279	-401	-367	-282
Outstandings	3,132	2,854	2,453	2,085	1,804
Total, new obligations and new commitments	1,358	1,167	502	98	43

* \$500,000 or less.

¹ The obligation levels for 1989 and 1990 are not included in the total.

Tax Expenditures.—Direct Federal funding for community and regional development is supplemented by several existing tax expenditures. The provision that allowed certain taxpayers to amortize rehabilitation expenditures for low- and moderate-income rental housing over a 5-year period expired at the end of 1986. It has been replaced by a tax credit structured to have a present value equal to 70 percent of construction or rehabilitation costs. The credit is reduced to 30 percent for federally subsidized projects. The 1988 tax expenditure for this provision is \$575 million. Development is also assisted by the exclusion of interest on State and local industrial development bonds for airports and docks. The estimate for this provision is \$785 million. Special tax credits are also available for rehabilitation of older nonresidential buildings. For 1988, the estimated tax expenditure for this program is \$235 million. Total tax expenditures for community and regional development for 1988 are estimated to be \$1.7 billion

INCOME SECURITY

Federal programs in the income security function help meet the needs of individuals by insuring against loss of income resulting from retirement, disability, death, or unemployment of a wage earner, and by assisting the truly needy who are unable to provide for themselves. The income security function includes retirement and disability programs for Federal civilian and military personnel, railroad employees, and coal miners. Retirement and disability benefits are financed by a combination of employer and employee contributions and direct Federal payments. This function also includes unemployment compensation programs and a wide range of housing, food, and cash assistance programs.

General Retirement and Disability Insurance (Excluding Social Security).—This subfunction includes programs that provide retirement and disability benefits for railroad workers and coal miners.

Railroad Retirement.—The Railroad Retirement Board (RRB) will administer retirement and disability benefits to an estimated 922,000 former railroad employees, their dependents, and survivors in 1988. RRB payments include benefits equivalent to social security retirement and disability benefits, as well as rail industry pensions and federally subsidized windfall payments. Benefits are financed through railroad employee payroll deductions and railroad employer contributions, payments from social security trust funds, and direct subsidies from taxpayers. Estimated 1988 outlays of \$4.1 billion include \$368 million for the Federal windfall subsidy component, which represents an annual subsidy of more than \$1,000 per active railroad employee.

Financing legislation enacted in 1974, 1981, and 1983 was based on what have proven to be optimistic assumptions, and RRB actuaries now recommend financing increases to protect the solvency of the fund. Therefore, the administration proposes increasing payments into the rail pension fund by 1.5 percent in 1988 and again in 1989.

The budget also proposes legislation to improve equity and help move the rail pension toward solvency by: (1) making uniform the treatment of rail pension payments for cost-of-living adjustment purposes by correcting flaws in the law that now treat these industry pensions like social security; (2) maintaining rail pensions at the 1987 level during 1988, (3) extending Federal/State unemployment insurance coverage to railroad employment, ensuring the payment of benefits to unemployed rail workers and paying off the debts of the railroad unemployment system to the rail pension fund; (4) requiring the railroad retirement trust funds to pay the full normal costs of Railroad Retirement Board employees' civil

service retirement benefits to the civil service retirement trust fund; and (5) having the rail sector finance 25 percent of Federal windfall subsidy costs.

Two other initiatives would correct unintended subsidies to the rail sector that are financed by the social security program. First, the continuing eligibility of railroad retirement disability beneficiaries would be reviewed, just like persons getting direct social security disability payments. Second, the rail sector equivalent of workers' compensation, provided under the Federal Employers' Liability Act, would be treated like regular workers' compensation in that payments would be offset against rail disability payments.

The budget also proposes to restore the rail industry pension to the private sector. Railroad retirement is the only private industry pension system embedded in Federal law, subsidized by taxpayers and administered by a Federal agency. Privatization of rail pension would free rail labor and management to bargain collectively for new benefit levels and mechanisms for a new funding arrangement. Although not included in the budget estimates, privatization would generate long-term savings.

Special Benefits for Disabled Coal Miners.—Miners who suffer from chronic dust disease of the lungs—black lung—and who meet specified medical criteria are entitled to monthly cash payments and medical benefits. Cash payments are also made to their dependents and survivors. The basic monthly cash payment is based on the GS-2 Federal salary level. Total outlays are estimated to be \$1.6 billion in 1988. Beneficiaries receive payments from either general revenues or the black lung disability trust fund. The black lung disability trust fund, which is financed by a fee on coal production, is projected to have a deficit of \$2.9 billion at the end of 1988. The excise tax paid by coal operators is insufficient to cover the cost of medical and income replacement benefits for miners disabled by the black lung disease for which these operators are legally responsible. This is true even though the Government has assumed full responsibility for paying income benefits to two-thirds of those disabled by black lung disease, and even though the general taxpayer is currently paying interest costs on money the trust fund borrowed because coal mine operators have paid too little. The administration proposes to increase the excise tax receipts to the trust fund by \$357 million in 1988 and to repeal the requirement that the general taxpayer pay the interest on monies borrowed from the Treasury.

In addition, the budget proposes legislation for both the general and trust fund black lung programs that will slow the growth of benefits now being paid to coal miners who have been determined disabled by black lung disease, their survivors, and their dependents. The proposed legislation would: (1) maintain the 1988 benefits

at the 1987 level and increase benefits by one half the amount of the percent increase in Federal pay each year thereafter, (2) restrict the maximum amount that can be paid to a family, and (3) end special benefits for students. The administration also proposes counting black lung benefits as income for tax purposes. These changes would not only make the black lung program more consistent with other Government disability programs, but would also help efforts to restore the trust fund to solvency. Under proposed legislation, trust fund payment calculations would be conformed to general fund payment calculations using the social security rule of rounding down to the nearest dollar.

Legislation is also being proposed that would offset social security disability benefits against general fund financed benefits when beneficiaries receive both benefits—in the same way in which the trust fund financed benefits are currently treated.

Pension Benefit Guaranty Corporation (PBGC).—This Government corporation insures payment of pension benefits promised to workers by their private employers. When a bankrupt or financially weak employer closes a defined benefit pension plan, the corporation takes over the plan and pays its monthly retirement benefits up to a legal maximum. PBGC may advance money to an insolvent multi-employer plan to prevent termination, thereby forestalling the need to take over the plan. The Corporation's revenues include premiums charged to all employers with defined benefit plans, earnings on investments, and collections from sponsors that terminate plans. Although premiums have been recently increased, liabilities from terminated plans are exceeding income from all sources. PBGC's deficit is expected to increase from \$2.3 billion at the end of 1986 to \$4.2 billion by the end of 1988. Payment of benefits will exceed cash income in 1988 and the Corporation will start depleting its already inadequate reserves.

The budget reflects legislation that will be proposed to allow the Corporation to collect higher premiums from sponsors with underfunded plans. The increased income would avoid depletion of the Corporation's assets and reduce its deficit. The administration will also propose legislation to require improved funding of poorly financed plans.

Federal Employee Retirement and Disability.—Of the several employee retirement and disability programs in the legislative, judicial, and executive branches of the Federal Government, the largest are civil service retirement and disability and military retirement.

NATIONAL NEED: PROVIDING INCOME SECURITY

(Functional code 600; in millions of dollars)

Major missions and programs	1986 actual	Estimate			
		1987	1988	1989	1990
BUDGET AUTHORITY					
General retirement and disability insurance (excluding social security):					
Railroad retirement:					
Existing law	5,541	4,589	4,405	4,311	4,310
Proposed legislation			230	411	463
Special benefits for disabled coal miners:					
Existing law	2,213	1,170	1,563	1,526	1,473
Proposed legislation			—8	—16	—25
Other.....	67	87	94	103	110
Subtotal, General retirement and disability insurance (excluding social security)	7,820	5,846	6,284	6,335	6,330
Federal employee retirement and disability:					
Civilian retirement and disability programs:					
Existing law	43,296	44,039	46,243	48,183	50,008
Proposed legislation			85	212	326
Military retirement	29,896	31,246	33,409	34,984	37,075
Thrift investment fund		612	1,514	1,908	2,250
Federal employees workers' compensation (FECA)	266	226	170	193	222
Subtotal, Federal employee retirement and disability	73,458	76,122	81,420	85,480	89,880
Unemployment compensation:					
Existing law	22,066	23,332	19,859	19,917	19,431
Proposed Legislation.....			28	23	22
Subtotal, Unemployment compensation	22,066	23,332	19,887	19,940	19,453
Housing assistance:					
Subsidized housing.....	9,394	7,267	3,920	4,193	4,579
Public housing operating subsidies	1,159	1,435	1,377	1,467	1,482
Low-rent public housing loans.....	895	1,829	1,552	846	418
Other housing assistance	196	177	527	590	638
Subtotal, Housing assistance	11,643	10,709	7,376	7,096	7,115
Food and nutrition assistance:					
Food stamps and aid to Puerto Rico:					
Existing law	12,582	12,646	12,788	12,950	13,273
Proposed legislation			—278	—268	—202
Child nutrition and other programs:					
Existing law	6,221	6,699	6,954	7,370	7,785
Proposed legislation		—73	—860	—942	—1,034
Subtotal, Food and nutrition assistance	18,803	19,272	18,604	19,110	19,821
Other income security:					
Supplemental security income (SSI)	10,171	10,856	12,303	12,102	11,771
Family support payments:					
Existing law	9,899	10,414	10,244	10,108	10,696
Proposed legislation			—468	—528	—382
Earned income tax credit(EITC)	1,415	1,491	2,910	3,961	3,964
Refugee assistance.....	403	340	253	244	226
Other.....	2,281	2,076	1,423	1,424	1,425

NATIONAL NEED: PROVIDING INCOME SECURITY—Continued

(Functional code 600; in millions of dollars)

Major missions and programs	1986 actual	Estimate			
		1987	1988	1989	1990
Subtotal, Other income security	24,170	25,177	26,665	27,311	27,700
Total, budget authority	157,960	160,458	160,236	165,273	170,300

Civilian Retirement and Disability Programs.—The civil service retirement and disability system covers most of the Federal Government's 2.7 million civilian employees. Under existing law, approximately 2.0 million retirees and survivors will receive payments in 1987 totaling an estimated \$26.7 billion in outlays. Benefits are paid to former employees who meet eligibility requirements based on age and length of service, and to their survivors. Currently, full retirement benefits can begin at age 55 for employees with 30 years of service under the civil service retirement system (CSRS); however, under the new Federal employee retirement system (FERS), that retirement age will gradually increase to age 57. Benefit levels under the CSRS are based on the employee's 3 highest salary years and are indexed to the Consumer Price Index (CPI). CSRS participants and their employing agencies each contribute 7 percent of wages toward retirement costs.

The new FERS was enacted in 1986 for employees hired on or after January 1, 1984. The FERS more closely resembles pension systems in the private sector and reduces the overly generous features in CSRS.

The administration proposes that CSRS retirement benefits be brought more in line with FERS. While only a tiny fraction of all private pensions are fully and automatically adjusted for inflation, the CSRS continues to have full indexation to the CPI. The administration proposes legislation to limit future cost-of-living adjustments (COLAs) to the percentage changes in the CPI minus 1 percentage point. This proposal would be virtually identical to the COLA provided under the defined benefit portion of the FERS for employees retiring at age 62 and beyond.

The budget also seeks repeal of the lump-sum withdrawal provisions in both CSRS and FERS, which enables employees to withdraw all their contributions toward retirement in a lump sum at retirement.

Military Retirement.—Approximately 1.6 million military retirees and survivors will receive an estimated \$18.9 billion in outlays under existing law in 1988. Normal retirement eligibility is attained at 20 years of service. The initial benefit is 2.5 percent of final basic pay for each year of service. For personnel entering

NATIONAL NEED: PROVIDING INCOME SECURITY

(Functional code 600; in millions of dollars)

Major missions and programs	1986 actual	Estimate			
		1987	1988	1989	1990
OUTLAYS					
General retirement and disability insurance (excluding social security):					
Railroad retirement:					
Existing law	3,755	3,855	3,851	4,008	4,157
Proposed legislation			65	44	30
Special benefits for disabled coal miners:					
Existing law	1,616	1,611	1,573	1,531	1,477
Proposed legislation			—8	—16	—25
Pension Benefit Guaranty Corporation:					
Existing law	—106	—4	172	185	199
Proposed legislation			—347	—355	—245
Other	64	82	90	99	106
Subtotal, General retirement and disability insurance (excluding social security)	5,330	5,543	5,396	5,497	5,698
Federal employee retirement and disability:					
Civilian retirement and disability programs:					
Existing law	24,237	26,696	27,874	29,371	30,964
Proposed legislation			—1,505	—1,686	—1,880
Military retirement	17,621	17,953	18,887	19,936	21,012
Thrift investment fund		—644	—1,828	—1,599	—1,401
Federal employees workers' compensation (FECA)	266	226	170	193	222
Federal employees life insurance fund	—760	—679	—694	—711	—745
Subtotal, Federal employee retirement and disability	41,363	43,551	42,905	45,504	48,172
Unemployment compensation:					
Existing law	17,753	17,983	17,769	17,630	18,042
Proposed legislation			—92	—120	—106
Subtotal, Unemployment compensation	17,753	17,983	17,677	17,510	17,936
Housing assistance:					
Subsidized housing:					
Existing law	10,041	9,472	10,170	11,361	12,134
Proposed legislation			—60	—150	—150
Public housing operating subsidies	1,181	1,344	1,489	1,424	1,472
Low-rent public housing loans	1,018	1,872	1,605	918	495
Other housing assistance	144	256	188	196	235
Subtotal, Housing assistance	12,383	12,944	13,392	13,749	14,186
Food and nutrition assistance:					
Food stamps and aid to Puerto Rico:					
Existing law	12,443	12,731	12,782	12,942	13,265
Proposed legislation			—277	—267	—200
Child nutrition and other programs:					
Existing law	6,159	6,698	6,921	7,332	7,745
Proposed legislation		—68	—788	—941	—1,033
Subtotal, Food and nutrition assistance	18,602	19,362	18,638	19,066	19,777
Other income security:					
Supplemental security income (SSI)	10,345	10,947	12,303	12,102	11,771
Family support payments:					
Existing law	9,877	10,607	10,244	10,108	10,696
Proposed legislation			—468	—528	—382
Earned income tax credit (EITC)	1,415	1,491	2,910	3,961	3,964
Refugee assistance	435	379	288	251	233
Other	2,293	2,099	1,499	1,444	1,426
Subtotal, Other income security	24,364	25,522	26,776	27,338	27,709
Total, outlays	119,796	124,905	124,784	128,664	133,478

*\$500 thousand or less.

after September 1980, the average of the member's highest 3 years of basic pay will be used, as specified by current law, instead of final basic pay. Benefits are indexed to the CPI. Under legislation enacted in 1986, persons entering the military after August 1, 1986 will be subject to a reduction in their initial annuity for retirement with less than 30 years of service. Their initial annuity at 20 years will be reduced to 40 percent of the average of the member's highest 3 years of basic pay, with the annuity rising 3.5 percentage points with each additional year of service to the full 75 percent for retirement at 30 years. These reduced annuities will be restored to their former levels when the retiree reaches age 62. This new class of beneficiaries will also receive a COLA equal to the CPI minus 1 percent for life, subject to a one-time restoral of purchasing power at age 62. Disability retirees and survivor benefits will not be affected by the reduction in initial annuities, but will be subject to the revised COLA formula. The budget provides for full cost-of-living adjustments for military retirees in 1988 and 1989. Also, military personnel will continue to make contributions to and be eligible for social security.

Thrift Savings Fund.—Part of the new retirement system (FERS), the thrift savings fund is a tax-deferred, voluntary savings plan to which Federal employees may contribute up to 10 percent of their salary and receive matching government contributions of up to 5 percent of their salary. Employees covered by the old retirement system (CSRS) may also contribute up to 5 percent of their salaries to the fund and receive tax deferral benefits, but they receive no matching contributions. The budget estimates for the thrift savings fund assume no policy changes in the basic law as passed and modified by Congress last year. Because the fund is not yet operational and Federal employee participation rates are still speculative, actual receipts and expenditures could vary significantly from these estimates in this budget.

Federal Employees Workers' Compensation.—The Department of Labor provides tax-free cash and medical benefits to Federal employees or their survivors for job-related injuries, illnesses, or deaths. About 48,000 workers with long-term disabilities, or their survivors, will receive monthly payments in 1987 and 1988.

Unemployment Compensation.—About 97 percent of wage and salaried employment in the United States is covered by unemployment compensation programs, which pay benefits to individuals who are temporarily out of work and are searching for jobs. Based on the economic assumptions described in Part 3a, an average of 2.3 million workers per week will receive unemployment benefits during 1987 and 2.2 million workers in 1988. Therefore, outlays are

estimated to decline from \$18.0 billion in 1987 to \$17.7 billion in 1988.

Regular benefits, usually paid for up to 26 weeks, are financed by a State tax on employers and vary according to benefit levels set by each State. Extended unemployment benefits, which increase by 50 percent the number of weeks an unemployed worker can receive unemployment compensation, are payable in States with high rates of unemployment among covered individuals, as defined by statute. The total number of weeks of regular and extended benefits may not exceed 39. Extended benefits are financed in equal portions by State and Federal taxes on employers.

Benefits paid to former Federal civilian and military employees are financed by the Federal agency that employed them. Additional benefits are available to workers in specific circumstances, such as former Conrail employees. As part of the proposed changeover to a comprehensive dislocated worker assistance program, weekly benefits provided under the trade adjustment assistance program for workers affected by imports would be eliminated beginning in 1988. Discussed in the education, training, employment, and social services section, the new program would be tied closely to the unemployment compensation program and would provide workers (whose jobs have been eliminated because of imports or other causes) with special help in finding new work. Under the proposed legislation, workers collecting trade adjustment assistance benefits at the end of 1987 would remain eligible to collect benefits in 1988.

Legislation will be proposed to decentralize authority, financing, and responsibility for administering State unemployment insurance and employment service programs to the States. Based on an extensive consultative process involving all interested groups, the legislation will answer the many questions raised by States and others over the equity of current Federal allocation of administrative resources, the adequacy of the resources provided, and lack of flexibility provided for States to use resources to meet their requirements. This decentralization will place administrative policy, financing, and decision making at the same level of government that is already responsible for unemployment insurance benefit policy, financing, and decision making. The Department of Labor will retain its current responsibilities of ensuring that State programs meet the general requirements of Federal law and of financing the costs of State administration of Federal programs.

The administration proposes to ensure comprehensive unemployment insurance coverage for rail workers by extending Federal-State unemployment insurance coverage to railroad employment beginning in 1988 with a transitional program. Under this proposal, all rail workers becoming unemployed after September 30, 1987, would be eligible for the generally higher maximum weekly bene-

fits available under the Federal-State program. Railroads would reimburse States for the costs of benefits paid during the transition, allowing States time to gain experience with railroad employment before regular State unemployment insurance contributions from the railroads begin. This proposal would speed repayment of the rail sickness and unemployment fund's debts to the rail pension fund.

Housing Assistance.—The Federal Government provides housing subsidies for low-income families and individuals through several programs administered by the Department of Housing and Urban Development (HUD) and the Department of Agriculture (USDA). Eligibility for HUD assistance is generally limited to households with annual incomes below 50 percent of median income in each community. The Agriculture Department's Farmers Home Administration (FmHA) programs serve households with incomes up to 80 percent of the median income, although this would change under the 1988 budget proposals. By the end of 1986, 6.3 million households, or 18 million people, were receiving housing assistance. By the end of 1988, the number of assisted households will grow to 6.5 million, reflecting the completion of units under construction, the occupancy of other units funded in 1986 and prior years, and the utilization of units recommended in the budget for 1987 and 1988. The 6.5 million units (4.3 million are HUD-assisted units; 2.2 million are USDA-assisted units) reflect an increase of more than 2.0 million units since 1980.

Whereas most of HUD's subsidized housing programs focus on low-income renters, 60 percent of FmHA's assisted units since 1980 have been for homeownership. Under the section 502 program, very-low-interest mortgages are provided to households to encourage their owning homes. By its very design, this program excludes very-low-income renters, often those households with the most severe housing need.

The other major housing program operated by FmHA (section 515) provides loans for building new rental projects in rural areas. In addition, some of the tenants in these rental projects receive additional rental subsidies from either HUD, FmHA, or other State programs. Data on housing quality indicators and vacancy rates in non-metropolitan areas suggest, however, that the rental housing inventory has improved significantly over the last decade, and rental vacancy rates continue to be higher than in metropolitan areas.

Because of the recognition that the primary housing deficiency in rural areas is not a physical shortage of adequate units, insufficient homeownership among the low-income, or failure of housing market financial institutions, the 1988 budget proposes to re-orient policy away from the current approach which emphasizes these

goals. Instead, the main problem in rural and metropolitan areas is income deficiency, a problem most efficiently addressed with housing vouchers.

As reflected in the budget, housing vouchers are the cornerstone of the administration's housing policy both in rural and non-rural areas. Vouchers, unlike new construction subsidies, address the main housing problem faced by low-income households: insufficient income to afford decent housing. Vouchers are targeted to the very-low-income households, can be used in most privately-owned rental units that meet certain housing quality standards, and are less costly than other housing subsidies for low-income households. Vouchers provide tenants with greater freedom to choose where they wish to live, including the opportunity to live in better neighborhoods with access to higher quality schools and services. The evidence suggests that in many cases, voucher recipients choose to move into better neighborhoods.

The budget proposes to fund 102,000 additional units in 1988: 99,000 are vouchers or rental subsidies for tenants to use in the private market; the other 3,000 units are subsidies for construction of new units for Indian (1,000) and elderly or handicapped households (2,000). Of the 99,000 vouchers, 79,000 will be funded through and administered by HUD. Between 20 percent and 25 percent of the vouchers will be issued in non-metropolitan areas. The other 20,000 vouchers will be funded through FmHA and given to households living in rural areas. With the exception of the 3,000 units for Indians and elderly/handicapped households, no units are proposed to be constructed with Federal subsidies in HUD or FmHA.

The budget assumes a 100,000 housing unit program through 1989 and 1992 with the same program mix divided between HUD and FmHA. The proposed 1988 subsidized housing program requires \$3.92 billion in budget authority for HUD and \$378 million in budget authority for FmHA. The HUD budget reflects an estimated \$60 million in cost-savings from the passage of income verification legislation.

The budget also includes a rescission of HUD funding totaling \$473 million for programs over-funded relative to need, including \$109.6 million for HUD's rental development grants. This program supports, via a large subsidy, the construction of new rental units. Given currently high rental vacancy rates, it is not possible to justify a poorly targeted, new rental construction program. The remaining components of the proposed rescission package include \$125 million from rental rehabilitation grants and \$238.8 million from the section 8 moderate rehabilitation program. It also includes a rescission of about \$1.5 billion in rural housing loan and grant funds appropriated for 1987 to the FmHA.

The administration also proposes increasing the similarity between section 8 certificates for existing housing and vouchers, both of which rely on the private market to supply rental units. However, the section 8 program is more restrictive since its tenants must occupy only units that rent for less than the HUD-established "fair market rent." In addition, section 8 tenants must pay 30 percent of their income for rent, so there is no incentive to shop for a lower cost but acceptable quality unit. These reforms would give the section 8 participants the same freedom of choice and access to housing as voucher recipients.

CREDIT PROGRAMS—INCOME SECURITY

(In millions of dollars)

	1986 actual	Estimate			
		1987	1988	1989	1990
Direct loans:					
Low-rent public housing:					
Change in outstandings.....	-35	-37	-39	-42	-44
Outstandings	2,111	2,074	2,035	1,993	1,949
Other:					
New obligations	3	4	3	3	3
Change in outstandings.....	-2	-2	-2	-2	-3
Outstandings	18	16	14	11	9
Total, direct loans:					
New obligations	3	4	3	3	3
Change in outstandings.....	-37	-39	-42	-44	-47
Outstandings	2,129	2,090	2,049	2,005	1,958
Guaranteed loans:					
Low-rent public housing:					
Change in outstandings.....	-275	-312	-339	-367	-394
Outstandings	8,612	8,300	7,961	7,594	7,200
Total, new obligations and new commitments.....	3	4	3	3	3

Also proposed is a project to test ways of providing more choices in subsidized housing by linking the public housing and voucher programs at the local level. Public housing tenants would have access to vouchers to use for public housing or for the private rental market. Voucher holders, including individuals not currently residing in public housing, could use their vouchers to live in public housing. Public housing and its tenants would thus be integrated into a community's overall housing market.

Publicly owned rental housing is provided by public housing agencies and Indian housing authorities (PHAs and IHAs). The budget includes \$1.4 billion in budget authority for operating subsidies for almost 1.4 million public and Indian housing units.

In 1986, legislation was passed to forgive outstanding direct loans for public and Indian housing construction or modernization. In addition, the legislation also provided that all new direct loans be

forgiven at the end of the fiscal year when construction is completed. In 1987, \$5.4 billion of direct loan outlays will be forgiven at the end of the fiscal year.

In 1987, the administration proposes modernization funding of \$1 billion for capital needs. In 1988, the budget again requests \$1 billion for capital needs using a direct grant financing mechanism, but will only need \$0.6 billion in new budget authority by using \$0.4 billion of proposed carryover from 1987. The proposed \$1 billion represents a 41 percent increase over 1986 capital funding levels (\$0.7 billion). These large funding levels reflect the administration's emphasis on renovating present public housing stock before constructing new units.

Food and Nutrition Assistance.—Low- and middle-income families and individuals receive food and nutrition assistance through a number of Federal programs.

Food Stamps and Aid to Puerto Rico.—Food stamps help lower-income families maintain a nutritious diet. Eligible households receive monthly allotments of stamps based on income and household size to finance food purchases. Benefits are entirely Federally funded; administrative costs are shared by the States and the Federal Government. Each year, benefits are adjusted for changes in the cost-of-living, with the next adjustment scheduled for October 1987. Each month, an estimated 19.3 million people will receive food stamps during 1988, with associated Federal outlays of \$11.7 billion under proposed law. Outlays for nutrition assistance for Puerto Rico are estimated to be \$826 million in 1988.

In aid to families with dependent children (AFDC) and medicaid, the States are held liable for the full dollar value of erroneous payments above a 3 percent tolerance level, while in food stamps, they are held liable for only a fraction of erroneous payments above 5 percent. As a result, States are responsible for repaying the Federal Government *only one-tenth* of the approximately \$920 million in food stamps they issued erroneously during 1984. The administration proposes that food stamps be brought into closer conformity with medicaid and AFDC. Beginning in 1988, States would be held liable for the full dollar value of erroneous benefits issued above 5 percent, equal to only one-third of their total erroneous payments.

The administration is also proposing to withhold food stamp liabilities from grants to States. As in medicaid, at the beginning of the fiscal year Federal grants to States would be adjusted for each State's estimated erroneous payment above the national food stamp error tolerance rate of 5 percent. Withholding liabilities would greatly improve collections; to date only \$1.3 million of approximately \$100 million in outstanding State liabilities have been col-

lected. As States improve their benefit issuance systems and error rates fall, Federal withholdings would also fall.

Child Nutrition and Other Programs.—The child nutrition programs subsidize institutions for meals served to students in schools, child care facilities, and other institutional settings. Schools receive cash and commodity subsidies for meals served to *all* students, regardless of income level. In 1987, schools and other institutions will be given \$4.5 billion in cash and commodities to subsidize meals served to students. Of that amount, \$705 million will subsidize institutions for meals served to students from families whose income levels are above 185 percent of the poverty level.

The administration proposes to better target Federal funds to the needy by maintaining institutional subsidies for meals served to students whose family income are below 185 percent of the poverty level. The proposal would discontinue subsidies to students with family incomes above that level. Under this proposal, nearly 13 million needy students would be given federally subsidized free and reduced price meals in 1988, for total program costs of \$4.0 billion. Limiting the subsidy to students who need it would save \$757 million in 1988. Other proposals to conform coverage, reimbursement rates, and administrative expenses among the programs would save an additional \$89 million in 1988.

The supplemental nutritional assistance program for women, infants, and children (WIC) provides food supplements and nutrition education to more than three million low-income women, infants, and children determined to be at nutritional risk. WIC is designed to lessen health problems associated with inadequate diets during the critical early stages of child development, especially pre-natal. Federal funding for the program has expanded rapidly in recent years, more than doubling since 1980. The administration request of \$1.7 billion in budget authority for 1988 is \$24 million above the 1987 level, and would maintain monthly participation levels above 3 million.

Related Food Assistance Programs in Other Functions.—The Commodity Credit Corporation (CCC) donates surplus food, such as cheese, butter, and nonfat dry milk, for distribution to food banks, charitable institutions, and schools. Acquired as part of the agricultural price support programs, CCC commodities valued at \$1.3 billion are expected to be donated in 1988.

Other Income Security.—A number of other income security programs assist the poor. Estimated outlays for these programs are \$26.8 billion in 1988.

Supplemental Security Income (SSI).—This program will make cash payments to an estimated four million needy aged, blind, or

disabled persons in 1988. Benefits are to be automatically increased in January 1988 by the same percentage as social security benefits. Federal outlays in 1988 are for 13 months of benefit payments, and are estimated at \$12.3 billion. Some States also finance supplements to the basic Federal grant, which may be administered by the Federal Government at no charge to the States. The administration proposes no changes to this program.

Family Support Payments to States.—Aid to families with dependent children (AFDC) helps State and local governments finance cash assistance to needy families. States administer the AFDC program, determining guidelines for eligibility and the level of benefits within broad Federal rules. The Federal Government reimburses States for, on average, slightly more than half of the benefit costs. Child support enforcement (CSE) finances most State and local administrative expenses for establishing paternity and collecting support from legally liable absent parents. These collections offset State and Federal AFDC costs. Federal outlays to States for AFDC and CSE are estimated to be \$9.8 billion in 1988, compared with \$10.6 billion in 1987. About 3.8 million families are expected to receive AFDC benefits in 1988 under current law. Child support collections on behalf of about 0.8 million of these families are also anticipated.

The administration proposes legislation to achieve selected reforms of AFDC. Under a new AFDC work and training proposal, teenage recipients would be encouraged to remain in or return to school; older recipients would participate in a variety of employment and training activities designed to improve their employment status. The unsuccessful work incentive (WIN) program terminated by Congress—classified in the education, training, employment, and social services function—would be replaced by this reform. Other changes would prohibit unmarried minor mothers from leaving their parents' home solely to qualify for AFDC, and would eliminate payments to employable AFDC parents whose youngest child is age 16 or older. In addition, States would be required to establish mandatory child support guidelines to help ensure that single-parent families receive adequate support from parents who are absent from the home.

The administration also proposes legislation to reform Federal funding for State and local administrative costs in AFDC and CSE. A uniform Federal matching rate for all types of administrative costs would be phased in over several years. In addition, the AFDC matching rate would be reduced for States with excessively high administrative costs per recipient. Similar changes are proposed for medicaid (discussed in the health function) and food stamps. Other administrative reforms include accelerating the recovery of State

AFDC overpayments and linking State CSE incentive payments to minimum levels of cost-effectiveness.

These AFDC and CSE reforms would save an estimated \$554 million in Federal outlays in 1988.

Earned Income Tax Credit (EITC).—Wage earners with children are eligible for tax credits if they earn less than \$13,500 now and \$17,000 beginning in 1988. When the credit exceeds a wage earner's income tax liability, the Treasury Department makes a cash payment. Credits can be received as additions to paychecks or as a lump sum at the end of the year. Total 1988 outlays for these payments are estimated to be \$2.9 billion. When the credit does not exceed the wage earner's tax liability, no direct Treasury payment is made and the credit is considered a tax expenditure rather than an outlay. In 1988, the EITC tax expenditure is estimated to be \$1.6 million.

Refugee Assistance.—The Federal Government fully subsidizes States for initial costs associated with refugee and entrant resettlement, including preventive health activities, cash and medical assistance, employment, and English language training. Estimated 1988 outlays are \$288 million. Assistance is intended to help refugees become self-sufficient as soon as possible after they arrive in the United States. Aid to refugees while they are overseas is discussed in the international affairs function.

The administration plans to reduce subsidies to States for cash and medical assistance provided to refugees. Benefits paid to refugees would not be reduced, as States would pick up the normal State share of program costs. The administration also proposes to reduce the time period for which refugees may receive Federal assistance that is not available to similarly situated U.S. citizens.

Low-Income Home Energy Assistance.—The Department of Health and Human Services gives States block grants to help pay the fuel bills of low-income families. States can make direct cash payments to eligible families, payments to fuel vendors, or payments to public housing building operators. The States may also finance weatherization of homes for some low-income families. For 1988, the administration requests low-income home energy assistance budget authority of \$1.2 billion, in recognition of the hundreds of millions of dollars in oil overcharge settlements available to States for these purposes. Related programs for low-income home weatherization and energy conservation for schools and hospitals are financed by the Department of Energy, and are discussed in the energy function.

Tax Expenditures.—Federal tax laws encourage provision for retirement income by excluding from employee taxable income their

employer's contributions to pension plans and by allowing individuals to exclude their own contributions to individual retirement accounts (IRAs) and Keogh accounts. The maximum IRA contribution is limited to \$2,000 annually. However, individuals are allowed to make it a tax deductible contribution after 1986 only if (1) they and their spouses, in the case of joint returns, are not active participants in an employer-maintained retirement plan, or (2) their adjusted gross income is below a specified amount. Those individuals who do not meet either restriction may still make nondeductible contributions and defer taxes on the earnings until the funds are withdrawn. Married taxpayers whose spouses have no earnings may invest in a spousal IRA as well. The total invested in both accounts may not exceed \$2,250, with no more than \$2,000 in any single account. The deductibility of contributions and the deferral of taxes on the earnings result in tax expenditures.

TAX EXPENDITURES FOR INCOME SECURITY

(Outlay equivalents, in millions of dollars)

Description	Estimates		
	1986	1987	1988
Net exclusion of pension contribution earnings:			
Employer plans	71,940	64,505	58,185
Individual Retirement Accounts (IRAs)	22,470	15,150	11,635
Keogh plans	3,730	2,820	1,715
Exclusion of other employee benefits:			
Premiums on group term life insurance	2,960	2,730	2,485
Premiums on accident and disability insurance	175	160	160
Income of trust to finance supplementary unemployment benefits	30	30	30
Additional exemption for elderly	2,785	710	.....
Additional deduction for the elderly .....	.....	810	1,150
Additional exemption for the blind	35	10	.....
Additional deduction for the blind .....	.....	10	10
Tax credit for the elderly and disabled	110	105	90
Exclusion of military disability pensions	120	110	105
Exclusion of railroad retirement system benefits	420	400	370
Exclusion of special benefits for disabled coal miners	145	130	115
Exclusion of workmen's compensation benefits	2,500	2,425	2,270
Exclusion of untaxed unemployment insurance benefits	1,080	270	.....
Deductibility of casualty losses	270	230	225
Exclusion of public assistance benefits	580	490	355
Earned income credit ¹	700	1,110	1,595
Total (after interactions) income security ²	107,850	90,360	78,885

¹ The figures in the table indicate the tax subsidies provided by the earned income tax credit. The effect on outlays is: 1986, \$1,415 million; 1987, \$1,491 million; 1988 \$2,910 million.

² The estimate of total tax expenditures for this function reflects interactive effects among the individual items. Therefore, the estimates cannot simply be added.

Many tax expenditures related to income security programs result from Government benefits not being included in the taxable income of recipients. For example, workers' compensation benefits, and other income security assistance for the needy are excluded from taxable income. Part of unemployment compensation benefits paid prior to January 1, 1987, were not taxed. In contrast, Federal

employee retirement benefits are subject to tax and therefore, are not tax expenditures. The largest tax expenditure item in this function is the net exclusion of pension contributions and earnings, including contributions to IRAs and similar pension plans.

GENERAL PURPOSE FISCAL ASSISTANCE

General purpose fiscal assistance provides financial aid to State and local governments without major restrictions or matching requirements. This assistance can generally be used for State or local services, construction, debt retirement, and other purposes of general government. Programs in this category include general revenue sharing, payments to the District of Columbia, Forest Service receipts paid to the States, payments in lieu of taxes, and payments to territories and Puerto Rico. Outlays for this function are estimated to decline from \$1.9 billion in 1987 to \$1.5 billion in 1988.

General Revenue Sharing.—In 1987 the phasing out of the general revenue sharing program essentially will be completed. The administration has opposed further funding for this program, and last year Congress did not enact new authorizing legislation. Accordingly, the only 1987 outlays will be to distribute the remainder of funds already appropriated in prior years and otherwise still available, and to satisfy all legitimate claims.

Other General Purpose Fiscal Assistance.—Several programs provide funds with minimal restrictions to States and localities. Outlays for these programs are estimated to be \$1.9 billion in 1987 and \$1.5 billion in 1988.

Payments and Loans to the District of Columbia.—The District of Columbia's operating budget is financed in part by annual reimbursement for the net cost of the Federal presence. The administration requests \$497 million in budget authority for the District of Columbia in 1988, net of loan repayments from the District. Of the total amount, \$425 million is for the Federal payment to the District for general purposes, \$52 million is for the annual Federal contribution to the retirement funds for the District's police officers, firefighters, teachers, and judges. The remaining funds are for St. Elizabeth's Hospital and the construction of a new District prison facility.

Beginning in 1988, in order to promote efficiency and accountability, the District of Columbia will treat Federal establishments of all three branches of Government like private customers for the water and sewer services. Thus, in lieu of a lump-sum appropriation to the District for these services, the Federal establishments will make these payments directly.

The administration continues to support legislation to increase the District's contribution for the city's participants in both the civil service retirement system and the Federal employees health benefits program beginning in 1988. These changes would begin to

NATIONAL NEED: FISCAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

(Functional code 850; in millions of dollars)

Major missions and programs	1986 actual	Estimate			
		1987	1988	1989	1990
BUDGET AUTHORITY					
General revenue sharing	4,192	6			
Other general purpose fiscal assistance:					
Payments and loans to the District of Columbia	— 34	287	497	466	459
Payments to States and counties from Forest Service receipts:					
Existing law	685	274	296	305	306
Proposed legislation			— 270	— 270	— 271
Payments to States from receipts under the Mineral Leasing Act	423	435	391	435	482
Payments to States and counties from Federal land management activities	95	89	63	63	57
Payments in lieu of taxes	100	105	105	150	150
Payments to territories and Puerto Rico	381	378	386	390	395
Other	5	9	7	7	8
Subtotal, Other general purpose fiscal assistance	1,655	1,576	1,475	1,545	1,587
Total, budget authority	5,847	1,582	1,475	1,545	1,587
OUTLAYS					
General revenue sharing	5,121	82	*		
Other general purpose fiscal assistance:					
Payments and loans to the District of Columbia	— 34	287	497	466	459
Payments to States and counties from Forest Service receipts:					
Existing law	399	560	296	303	306
Proposed legislation			— 270	— 270	— 271
Payments to States from receipts under the Mineral Leasing Act	423	435	391	435	482
Payments to States and counties from Federal land management activities	31	88	63	63	57
Payments in lieu of taxes	100	105	105	150	150
Payments to territories and Puerto Rico	384	380	386	390	395
Other	8	8	7	7	8
Subtotal, Other general purpose fiscal assistance	1,310	1,862	1,475	1,543	1,586
Total, outlays	6,431	1,944	1,475	1,543	1,586

*\$500 thousand or less.

eliminate the Federal subsidy for such benefits currently provided to the District government.

Other Payments.—Some jurisdictions receive payments from the Federal Government based on a percentage of Federal receipts generated from timber sales, mineral leases, grazing permits, and other activities on Federal property.

CREDIT PROGRAMS—GENERAL PURPOSE FISCAL ASSISTANCE

(In millions of dollars)

	1986 actual	Estimate			
		1987	1988	1989	1990
Direct loans:					
Loans to the District of Columbia:					
Change in outstandings.....	- 564	- 293	- 30	- 31	- 33
Outstandings.....	1,008	715	685	654	621
Guaranteed loans:					
Guarantees of New York City loans:					
Change in outstandings.....	- 190				

Payments to States and Counties from Various Land Management Receipts.—Under current law, 50 percent of receipts under the Mineral Leasing Act are shared with the State of origin. Twenty-five percent of the receipts from the National Forests, and 50 percent of the receipts from the Oregon and California grant lands are shared with the counties of origin. Sharing is on a gross basis before any costs of obtaining these receipts are deducted. The administration is proposing legislation to permit the costs of generating these receipts to be deducted before calculating the State or local government shares. It makes neither economic nor business sense to share gross receipts when the actual returns from managing the lands are receipts net of costs. After adjustments for economic factors, this proposal will reduce outlays for receipt payments to States and counties in 1988 by \$353 million below the levels under current law.

These payments to States and counties from Forest Service receipts, payments to States from receipts under the Mineral Leasing Act, and payments to States and counties from Federal land management activities are offset against and deducted from the formula amounts of payments in lieu of taxes for the following year. Hence, these deductions will be partially offset beginning in 1989 by increases in payments in lieu of taxes.

Payments in Lieu of Taxes provide fees based on a formula to local governments for some Federal lands located within their jurisdictions. The administration proposes to continue this program at a level of \$105 million in outlays for 1988.

Payments to Territories and Puerto Rico reflect the payment of certain taxes by the Federal Government to the territories and Puerto Rico. These payments comprise annual advance payments of certain income tax withholding and excise tax collections involving Guam and the Virgin Islands, and excise tax withholding for Puerto Rico. Outlays are estimated to be \$380 million in 1987 and \$386 million in 1988.

Tax Expenditures.—The Federal Government provides general purpose fiscal assistance through several tax provisions. Interest on State and local government debt is excluded from the taxable income of businesses, mainly commercial banks and casualty insurance companies, and individuals. As a result, State and local governments can borrow at lower interest rates than would be possible if such interest were taxable. In effect, the Federal Government subsidizes States and localities by paying part of their interest costs. Only the effect of excluding interest on general purpose obligations and revenue bonds for public purposes such as schools, sewers, and roads is included in this function. The exclusion of interest on tax-exempt bonds issued for private or quasi-public activities is covered in applicable budget functions, such as commerce and housing credit. The tax expenditure estimate for the exclusion of interest on general purpose State and local debt is \$10.4 billion in 1988.

The Federal Government also provides indirect assistance to States and localities by allowing individuals to deduct nonbusiness State and local taxes, primarily income taxes, from income in calculating their Federal tax liability. The value of this assistance is estimated at \$14.8 billion in 1988. The Tax Reform Act of 1986 repealed the State and local sales tax deduction. Tax expenditures resulting from deductibility of taxes on owner-occupied homes are included in the commerce and housing credit function.

As a means of providing assistance to U.S. possessions, primarily Puerto Rico, the Federal Government permits a special tax credit for qualifying U.S. corporations doing business in the possessions. This tax credit, which effectively exempts earnings attributable to the possessions, results in an estimated tax expenditure of \$2.4 billion in 1988. Altogether, tax expenditures for general purpose fiscal assistance are an estimated \$27.6 billion in 1988.

Related Programs.—In addition to general purpose fiscal assistance, the Federal Government provides States and localities with assistance through a variety of Federal grant-in-aid programs. These programs, which range from relatively narrow categorical programs to broader grant programs, are more restrictive than general purpose fiscal assistance, and are designed to meet other national needs and priorities. Therefore, they are not included as general purpose fiscal assistance, although, in total, they provide 21 percent in 1985 of the financing of total State and local expenditures. Total grant-in-aid outlays to States and localities are estimated to decrease from \$109.9 billion in 1987 to \$106.3 billion in 1988.

Grants are discussed in more detail in Special Analysis H, "Federal Aid to State and Local Governments."

SUMMARY OF REASONS FOR THE DIFFERENCE IN THE 1986 DEFICIT

(In billions of dollars)

	Total
February 1985 estimate of surplus or deficit (—)	—180.0
Changes:	
Policy:	
Receipts	1.8
Outlays	—9.3
Subtotal, policy	—7.5
Economic conditions:	
Receipts	—32.1
Outlays	4.9
Subtotal, economic conditions	—27.2
Estimating and other differences:	
Receipts	5.7
Outlays	—11.7
Subtotal, estimating and other differences	—6.0
Total, changes	—40.7
Actual surplus or deficit (—)	—220.7
MEMORANDUM	
Total change in receipts	—24.6
Total change in outlays	—16.1

Note: Receipt increases and outlay decreases are shown as positive because they lower the deficit.

than they increased receipts, further raised the deficit by \$6.0 billion.

COMPARISON OF THE ACTUAL AND ESTIMATED RELATIVELY UNCONTROLLABLE OUTLAYS FOR 1986

Outlays in any one year are considered to be relatively uncontrollable when the program level is determined by existing statutes or by contracts or other obligations. Outlays for these programs generally depend on factors that are beyond administrative control under existing law at the start of the fiscal year. For example, the criteria making people eligible for programs like medicaid and civil service retirement is established by law. Prior-year contracts and obligations are also legally binding.

Relatively uncontrollable outlays are grouped into two major categories: (1) open-ended programs and fixed costs, for which outlays are generally mandated by law; and (2) payments from prior-year contracts and obligations, for which outlays are required because of previous action, such as entering into contracts. Estimates of relatively uncontrollable outlays are for outlays mandated under existing law (i.e., they exclude any effect of proposed legislation on the programs).

A number of factors may cause differences between the amounts estimated in the budget and the actual outlays. For example, legislation may change benefit rates or coverage; the actual number of beneficiaries may differ from the number estimated; and economic conditions (such as interest rates) may differ from what was assumed in making the estimates.

The following table shows the differences between actual outlays for relatively uncontrollable programs in 1986 and the amounts estimated in the 1986 budget. The list of programs is the same as in Table 16 (Controllability of Outlays) in Part 6c of this volume. Actual outlays for relatively uncontrollable programs in 1986 were \$745.4 billion, which is \$1.4 billion or 0.2 percent below the initial estimate based on existing law in February 1985. Outlays for open-ended programs and fixed costs were \$4.5 billion above the initial estimate (adjusted for comparable coverage), while outlays from prior-year contracts and obligations were \$5.8 billion lower.

RELATIVELY UNCONTROLLABLE OUTLAYS FOR 1986

(In billions of dollars)

Relatively uncontrollable under present law	February 1985 estimate (existing law)	Actual	Change
Open-ended programs and fixed costs:			
Payments for individuals:			
Social security and railroad retirement.....	203.4	199.9	-3.5
Federal employees' retirement and insurance.....	54.1	52.9	-1.2
(Military retired pay)	(18.3)	(17.6)	(-0.7)
(Other)	(35.8)	(35.3)	(-0.5)
Unemployment compensation	14.8	16.3	1.5
Medical care	96.8	97.8	1.0
Assistance to students	4.6	4.5	-0.1
Food and nutrition assistance	4.1	3.8	-0.3
Public assistance and related programs	23.1	24.5	1.5
Other.....	2.9	2.9	*
Subtotal, payments for individuals.....	403.7	402.6	-1.2
Other open-ended programs and fixed costs:			
Net interest.....	142.9	136.0	-7.0
General revenue sharing.....	4.6	5.1	0.5
Farm price supports (CCC)	12.3	25.8	13.5
Other.....	-4.0	-5.4	-1.4
Subtotal, other open-ended programs and fixed costs	155.9	161.5	5.6
Total, open-ended programs and fixed costs	559.6	564.1	4.5
Outlays from prior-year contracts and obligations:			
National defense.....	109.2	107.8	-1.4
Nondefense.....	78.0	73.5	-4.4
Total, outlays from prior-year contracts and obligations	187.2	181.3	-5.8
Total, relatively uncontrollable outlays	746.8	745.4	-1.4

* \$50 million or less.

Payments for individuals, which are essentially income transfers, were 71.4 percent of all open-ended programs and fixed costs in 1986. Actual outlays for these payments were \$1.2 billion lower than originally estimated. This decrease was the net effect of legislative action, differences between actual and assumed economic conditions, differences between the anticipated and actual number of beneficiaries, and other technical adjustments.

Outlays for social security and railroad retirement, the largest category of payments for individuals, were \$3.5 billion lower than estimated. Outlays for social security were \$3.2 billion below the initial estimate because of fewer retroactive benefit payments, fewer beneficiaries, and smaller cost of living adjustments as a result of lower inflation.

Federal employees' retirement and disability insurance programs consist of military retirement, civilian employee retirement and disability, and veterans service-connected compensation. Except for the latter, these benefits are automatically indexed to the consumer price index. However, as a result of the sequester required by Gramm-Rudman-Hollings, the 1986 cost-of-living increase for military and civilian retirement benefits was eliminated. Total outlays were \$1.2 billion below the budget estimate of outlays under existing law because of the elimination of this cost-of-living increase and technical factors.

Outlays for unemployment compensation programs were \$1.5 billion above the initial estimate. This increase was the result of higher weekly benefit amounts than had been estimated, as well as legislation that extended the Trade Adjustment Assistance program.

Outlays for medical care were \$1.0 billion higher than originally estimated. Medicare outlays were \$0.6 billion or 1.2 percent above the initial estimate. Outlays for the medicaid program were \$0.2 billion or 1.0 percent above the initial estimate. Both programs experienced higher outlays as a result of increased utilization of services and higher medical costs. The increases in medicare resulting from these factors were largely offset by legislative savings.

Assistance to students consists of GI bill benefits and the guaranteed student loan program. Outlays for these programs were not significantly different from the original estimates.

Food and nutrition assistance includes the child nutrition and special milk programs. Outlays for the child nutrition program were \$0.3 billion below the original estimate largely because of lower than anticipated inflation.

Public assistance and related programs include family support payments, supplemental security income, outlays for earned income tax credits, and veterans non-service-connected pensions. Outlays for these programs were \$1.5 billion above the estimate.

Most of this increase was in family support payments to States, which were a result of delayed error liability collections from States and higher than estimated State caseload and average benefits levels.

Relatively uncontrollable outlays for all other payments for individuals were not significantly different than originally estimated.

Open-ended programs and fixed costs other than payments for individuals were 28.6 percent of all open-ended programs and fixed costs in 1986. Outlays for net interest were \$7.0 billion or 4.9 percent lower than the original estimate. This decrease is the net effect of lower than expected interest rates, differences in the composition of borrowing, and higher than expected Federal borrowing. The budget assumed a 7.9 percent interest rate on 91-day Treasury bills for fiscal year 1986 whereas the actual rate averaged 6.4 percent for 91-day Treasury bills.

Outlays for general revenue sharing, which expired at the end of 1986, were \$0.5 billion above the original estimate. The payment for the last quarter, which the budget assumed would occur in 1987, was instead made in 1986. Outlays for farm price supports (Commodity Credit Corporation) were \$13.5 billion above the initial current law estimate. This was due to the Farm Bill of 1985, higher production, particularly for corn, and increased farmer participation.

Outlays for prior-year contracts and obligations were \$5.8 billion below the initial estimate. Outlays for nondefense programs were \$4.4 billion lower than the initial estimate, and outlays for defense programs were \$1.4 billion lower. These results were due to lower than anticipated spending and the Gramm-Rudman-Hollings Act.

ALLOCATION OF WINDFALL PROFIT TAX RECEIPTS

Section 102 of the Crude Oil Windfall Profit Tax Act of 1980 requires that each year the President propose the allocation of net receipts from the tax in his budget. The budget estimates that the net receipts from the Windfall Profit Tax will be zero in 1988.

EXPLANATION OF THE SUMMARY TABLES

Overview.—The tables in this part of the budget are organized as follows:

- Tables 1 through 12 provide summary data on the 1988 Budget in terms of budget authority, outlays, receipts, and surpluses or deficits for the period 1986-92. Summary information is also included on Federal Government financing and debt, current services estimates, the credit budget, and Federal civilian employment.
- Tables 13 and 14 provide greater detail on governmental and offsetting receipts.
- Table 15 presents 5-year projections of the estimated costs of proposed legislation pursuant to 31 U.S.C. 1105(a)(12).
- Table 16 provides data on controllability of outlays.
- Tables 17 through 23 are historical in nature, giving data, for earlier years on receipts by source; outlays by function; total receipts, outlays, and surpluses or deficits; and the on- and off-budget components of these amounts. Comparisons with the gross national product and receipts and outlays in constant (fiscal year 1982) prices are also presented.

Periods covered.—Due to the change in fiscal year required by the Congressional Budget Act, the following periods are covered by the various columns or stub entries:

- July 1 through June 30, for the 1976 and prior fiscal periods.
- July 1 through September 30, 1976, for the transition quarter (TQ).
- October 1 through September 30, for the 1977 and subsequent fiscal periods.

Presentation of data.—As in the 1987 Budget, totals shown in the 1988 Budget include off-budget amounts, but the on- and off-budget components are identified separately. In tables by agency, entries for "Health and Human Services, except social security" present on-budget data, and entries for "Health and Human Services, social security" present the off-budget amounts distributed by agency.

In addition, the 1988 Budget reflects the effects of the sequestration of 1986 budgetary resources required by Public Law 99-177 without separate identification. Accordingly, data shown in the following tables incorporate the effects of this sequestration.

The outlay totals for 1986 exceed those previously reported by the Treasury Department by \$27 million primarily because of adjustments in outlays of the Small Business Administration (+\$67

million) and the Federal Financing Bank (−\$2 million) and interest on the public debt (−\$39 million).

Allowances.—Allowances for pay raises in 1988–92 are shown for military personnel and for civilian employees of the Department of Defense (DoD—Military). In addition, allowances for other legislation are shown for 1988–92. Included in the allowances for other legislation for DoD—Military are amounts for military benefits, which are partially offset by proposed savings. These allowances are included in the totals for the DoD—Military and in subfunction 051.

Allowances for pay raises for non-defense civilian employees and for military pay raises for the Coast Guard in 1988–92 are shown at the end of the tables. Other Government-wide allowances for 1988–92 presented at the end of the tables reflect proposals for savings from reform of Davis-Bacon and Service Contract Acts, for the Administration's credit reform initiative, and for a change in the Government contribution for employee health benefits. An allowance for 1989–92 for special productivity savings from personnel policies is also included.

Undistributed offsetting receipts.—Offsetting receipts are generally deducted from budget authority and outlays at the subfunction and agency levels. However, in some cases these amounts are undistributed, i.e., deducted from totals for the Government as a whole rather than from a single agency or subfunction in order to avoid distortion of agency or subfunction totals. These payments are for the employer share, employee retirement (both on-budget and off-budget amounts), rents and royalties on the Outer Continental Shelf (OCS), and the proposed sale of major assets (Conrail, Amtrak, naval petroleum reserves, power marketing administrations, and the auction of frequencies by the Federal Communications Commission) in 1987–92.

In addition, some offsetting receipts are undistributed at the agency level but not at the subfunction level. These are interest received by on-budget trust funds and interest received by off-budget trust funds (subfunctions 902 and 903, respectively) and interest received from the OCS escrow account (in subfunction 908). Accordingly, the offsetting receipt totals identified as undistributed in tables by agency are larger than those shown in tables by function by the amount of the interest received by trust funds and the interest received from OCS escrow account.

Description of the tables.—Each table in this part is described below.

- *Table 1, Summary,* provides a general overview of budget authority, receipts, outlays, and surpluses or deficits for 1986–92. Summary information on the Federal credit budget and on the Federal debt are also provided.

- *Table 2, Summary of current services and the President's proposals*, provides a bridge between current services estimates of outlays and estimated outlays under the President's proposals for 1987-90. Changes in outlays are shown by function. Current services estimates of receipts and estimated receipts under the President's proposals are also provided. Changes are shown by source. For further information on current services, see Special Analysis A, "Current Services Estimates", in the Special Analyses volume.
- *Table 3, Receipts by source and outlays by agency, 1986-92*, displays data on the composition of receipts by source, the distribution of outlays by the Legislative and Judicial Branches and by major agency in the Executive Branch, and the surpluses or deficits for these years.
- *Table 4, Outlays by function, 1986-92*, distributes outlays by function. Supporting data by subfunction from 1978-88 is found in table 18. Part 5 of this volume provides detail at the program level for 1986-90.
- *Table 5, Credit budget: new direct loan obligations and guaranteed loan commitments by agency*, displays new obligations for direct loans and new commitments for guaranteed loans by agency for 1986-88. Additional information can be found in Parts 3b and 5 of this volume and Special Analysis F, "Federal Credit Programs", of the Special Analyses volume.
- *Table 6, Federal Government financing and debt*, shows the means of financing the Federal deficit, the gross debt held by Government accounts and the public, and the amount of debt subject to statutory limitation. Further data related to the totals are contained in Special Analysis E, "Borrowing and Debt", and Part 6a of this volume.
- *Table 7, Full-time equivalent of Federal civilian employment*, provides full-time equivalent employment estimates for the major departments and agencies of the Executive Branch for 1986-89. For additional information, see Special Analysis I, "Civilian Employment in the Executive Branch", in the Special Analyses volume.
- *Table 8, Budget authority by function, 1986-92*, distributes budget authority by function. For detail at the program level, see Part 5 of this volume. For the subfunctional classification of budget authority in each account, see Part 4 of the *Budget of the United States Government, 1988*.
- *Table 9, Budget authority by agency, 1986-92*, presents the distribution of budget authority by Legislative and Judicial Branches and by major agency in the Executive Branch. For account level detail, see Part 4 of the *Budget of the United States Government, 1988*.

- *Table 10, Budget authority and outlays available with and without current action by Congress*, presents budget authority, including supplemental requests, for 1986-88 that requires congressional action during or immediately preceding the fiscal year in which it becomes available and ties budget authority and outlays available through current action to totals. In most cases, off-budget (social security trust fund) amounts are available as the result of previously enacted legislation (substantive legislation or prior appropriations acts) and do not require further action by Congress. Therefore, they are included in the portion available without current action by Congress. The remaining off-budget amounts are included in the portion available through current action by Congress.
- *Table 11, Relation of budget authority to outlays*, provides a bridge from budget authority to net obligations incurred to outlays for 1986-88. Data on off-budget amounts are included without separate identification. References to other tables in this part that provide detail on data shown in this table are included. A chart on the relationship of budget authority to outlays is shown in Part 6a of this volume.
- *Table 12, Balances of budget authority*, presents data on obligated and unobligated balances of budget authority for 1986-88. Detailed information is available in a separate OMB report, "Balances of Budget Authority", which can be purchased from the National Technical Information Service shortly after the budget is transmitted.
- *Table 13, Receipts by source*, provides detailed data by source for 1986-88 on receipts that are classified as governmental receipts. The total of these receipts is compared with total outlays to calculate the Federal deficit. Information on governmental receipts is also included in table 17 and in Part 4 of this volume.
- *Table 14, Offsetting receipts by type*, presents, by type, offsetting receipts for 1986-88 that are deducted from gross disbursements to calculate outlays. Offsetting receipts data are also included in Part 4 of the *Budget of the United States Government, 1988*.
- *Table 15, Legislative proposals for major new and expanded programs in the 1988 Budget, projection of costs*, provides a description of major legislative proposals and a projection of costs for 1987-92.
- *Table 16, Controllability of budget outlays, 1986-88*, displays data classified as relatively uncontrollable and relatively controllable outlays.

- *Table 17, Receipts by source, 1978-88*, provides historical data on governmental receipts by source.
- *Table 18, Outlays by function and subfunction, 1978-88*, includes historical data in outlays by function and subfunction.
- *Table 19, Federal finances and the gross national product, 1969-90*, displays receipts, outlays, surpluses or deficits, and Federal debt and shows these amounts as percentages of the gross national product.
- *Table 20, Composition of receipts and outlays in current prices, 1971-90*, includes historical data in the composition of receipts and outlays in current dollars.
- *Table 21, Composition of receipts and outlays in constant (fiscal year 1982) prices, 1971-90*, includes historical data on the composition of receipts and outlays in constant dollars for the same categories shown in table 20.
- *Table 22, Total receipts and outlays, 1789-1992*, includes historical data and out-year estimates of total receipts, outlays, and surpluses or deficits. Beginning in 1937, data include amounts for social security trust funds that are off-budget under current law.
- *Table 23, On-budget and off-budget receipts and outlays, 1937-92*, provides historical data and out-year estimates of on- and off-budget components of total receipts, outlays, and surpluses or deficits shown in table 22.

SUMMARY TABLES

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Table 1. SUMMARY

(In billions of dollars)

Description	1986 actual	Estimate					
		1987	1988	1989	1990	1991	1992
TOTALS							
Budget authority.....	1,072.8	1,093.9	1,142.2	1,211.6	1,271.9	1,331.8	1,377.9
On-budget	(883.2)	(879.9)	(900.1)	(948.2)	(985.2)	(1,024.1)	(1,052.6)
Off-budget.....	(189.6)	(214.0)	(242.1)	(263.4)	(286.6)	(307.7)	(325.3)
Receipts	769.1	842.4	916.6	976.2	1,048.3	1,123.2	1,191.2
On-budget	(568.9)	(628.4)	(674.5)	(712.8)	(761.6)	(815.4)	(865.9)
Off-budget.....	(200.2)	(214.0)	(242.1)	(263.4)	(286.6)	(307.7)	(325.3)
Outlays.....	989.8	1,015.6	1,024.3	1,069.0	1,107.8	1,144.4	1,178.9
On-budget	(806.3)	(821.1)	(821.9)	(857.3)	(885.4)	(911.1)	(935.1)
Off-budget.....	(183.5)	(194.5)	(202.4)	(211.7)	(222.4)	(233.3)	(243.9)
Surplus or deficit (—).....	— 220.7	— 173.2	— 107.8	— 92.8	— 59.5	— 21.3	12.3
On-budget	(— 237.5)	(— 192.7)	(— 147.4)	(— 144.5)	(— 123.8)	(— 95.7)	(— 69.1)
Off-budget.....	(16.7)	(19.5)	(39.7)	(51.7)	(64.3)	(74.4)	(81.4)

THE CREDIT BUDGET

New direct loan obligations	41.3	34.9	27.1	23.1	22.1	21.9	21.0
New guaranteed loan commitments ¹	159.2	155.7	128.4	129.5	130.5	129.6	129.5
Total	200.6	190.6	155.5	152.7	152.6	151.4	150.5
Change in outstandings:							
Direct loans	11.2	— 15.2	— 15.3	— 9.1	— 8.2	— 7.4	— 8.9
Guaranteed loans ¹	34.6	76.4	54.1	43.5	40.0	36.8	34.2
Total	45.7	61.1	38.8	34.4	31.8	29.4	25.3

FEDERAL DEBT ²

	1985 actual	1986 actual	Estimate					
			1987	1988	1989	1990	1991	1992
Debt outstanding, end of year:								
Gross Federal debt.....	1,827.2	2,132.9	2,372.4	2,585.5	2,796.9	2,991.3	3,162.6	3,309.8
Held by:								
Government accounts	317.4	386.8	464.0	570.4	689.4	824.8	975.2	1,135.2
The public ³	1,509.9	1,746.1	1,908.4	2,015.1	2,107.5	2,166.5	2,187.4	2,174.7
(Federal Reserve Banks)	(169.8)	(190.9)						
(Others)	(1,340.1)	(1,555.3)						
ADDENDUM								
Debt subject to statutory limitation	1,823.8	2,111.0	2,353.3	2,573.0	2,790.8	2,986.7	3,158.0	3,305.3

¹ To avoid double counting, excludes guarantees (or commitments) of loans previously guaranteed or guarantees (or commitments) by one Government account of direct loans made by another Government account.

² For additional information on the Federal debt, see table 6 of this part, Part 6a of this volume, and Special Analysis E, "Borrowing and Debt."

³ The estimates for 1987-92 have been revised from those shown in the *Budget*, dated January 5, 1987, due to a technical correction.

Note.—For all years, transactions of the social security trust funds are presented off-budget and transactions of formerly off-budget accounts are included on-budget.

SUMMARY TABLES

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Medicare	70.2	71.6	78.2	86.9	96.1	71.6	73.0	81.1	87.9	-5.2	-5.8	-8.2
Income security	119.8	125.0	129.5	134.4	139.9	124.9	124.8	128.7	133.5	-0.1	-4.7	-5.8	-6.4
Social security	198.8	207.9	219.5	232.7	247.1	207.9	219.4	232.5	246.8	.....	-0.1	-0.2	-0.3
On-budget	(8.1)	(5.0)	(4.9)	(5.4)	(5.4)	(5.0)	(4.9)	(5.4)	(5.4)	.....	(-*)	(-*)	(-*)
Off-budget	(190.7)	(202.9)	(214.6)	(227.2)	(241.7)	(202.9)	(214.5)	(227.0)	(241.4)	.....	(-0.1)	(-0.2)	(-0.3)
Veterans benefits and services	26.4	26.8	27.5	28.2	28.8	26.7	27.2	27.6	28.0	-0.2	-0.2	-0.6	-0.8
Administration of justice	6.6	8.2	8.9	8.8	8.9	8.3	9.2	8.9	8.8	0.1	0.3	0.1	-0.2
General government	6.1	6.7	7.2	7.1	7.1	6.8	7.5	7.9	7.9	0.1	0.3	0.8	0.8
General purpose fiscal assistance	6.4	1.9	1.8	1.9	2.0	1.9	1.5	1.5	1.6	.....	-0.4	-0.4	-0.4
Net interest	136.0	136.6	139.0	142.9	142.7	137.5	139.0	141.5	139.0	0.9	0.1	-1.3	-3.7
On-budget	(140.3)	(141.6)	(145.5)	(152.1)	(154.9)	(142.5)	(145.6)	(150.8)	(151.3)	(0.9)	(0.1)	(-1.3)	(-3.6)
Off-budget	(-4.3)	(-5.1)	(-6.6)	(-9.2)	(-12.2)	(-5.1)	(-6.6)	(-9.2)	(-12.3)	.....	(-*)	(-*)	(-0.1)
Allowances ¹ .....	.....	.....	0.7	1.6	2.7	.....	-0.8	0.5	2.8	.....	-1.4	-1.1	0.1
Undistributed offsetting receipts:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Employer share, employee retirement (on-budget)	-25.4	-28.0	-31.8	-33.2	-34.5	-28.0	-32.1	-33.8	-35.5	.....	-0.3	-0.6	-1.0
Employer share, employee retirement (off-budget)	-2.9	-3.3	-5.4	-6.0	-6.6	-3.3	-5.5	-6.1	-6.7	.....	-0.1	-0.2	-0.2
Rents and royalties on the Outer Continental Shelf	-4.7	-3.9	-3.7	-3.5	-3.8	-3.9	-3.7	-3.5	-3.8	.....	.....	.....	.....
Sale of major assets .....	.....	-1.9	.....	.....	.....	-1.9	-4.1	-2.3	-2.5	.....	-4.1	-2.3	-2.5
Total, undistributed offsetting receipts	-33.0	-37.1	-40.9	-42.6	-44.8	-37.1	-45.4	-45.8	-48.5	.....	-4.5	-3.1	-3.7

Table 2. SUMMARY OF CURRENT SERVICES AND THE PRESIDENT'S PROPOSALS—Continued
(In billions of dollars)

	1986 actual	Estimates									
		Current services					President's proposals				
		1987	1988	1989	1990	1987	1988	1989	1990	Change from current services	
Total outlays	989.8	1,016.8	1,060.5	1,115.1	1,165.4	1,015.6	1,024.3	1,069.0	1,107.8		
On-budget.....	(806.3)	(822.3)	(857.9)	(903.0)	(942.5)	(821.1)	(821.9)	(857.3)	(885.4)		
Off-budget.....	(183.5)	(194.5)	(202.7)	(212.1)	(223.0)	(194.5)	(202.4)	(211.7)	(222.4)		
Surplus or deficit (—)	—220.7	—174.5	—150.1	—146.9	—125.7	—173.2	—107.8	—92.8	—59.5		
On-budget.....	(—237.5)	(—194.0)	(—189.2)	(—197.7)	(—188.8)	(—192.7)	(—147.4)	(—144.5)	(—123.8)		
Off-budget.....	(16.7)	(19.5)	(39.0)	(50.8)	(63.1)	(19.5)	(39.7)	(51.7)	(64.3)		
ADDENDUM											
Budget authority	1,072.8	1,102.6	1,172.2	1,251.8	1,323.0	1,093.9	1,142.2	1,211.6	1,271.9		
On-budget.....	(883.2)	(888.5)	(930.5)	(988.9)	(1,037.0)	(879.9)	(900.1)	(948.2)	(985.2)		
Off-budget.....	(189.6)	(214.0)	(241.7)	(262.8)	(286.0)	(214.0)	(242.1)	(263.4)	(286.6)		
										1987	1988
										1989	1990
										—46.1	—57.6
										(—45.7)	(—57.1)
										(—0.4)	(—0.6)
										1.3	36.2
										(—1.3)	(—36.0)
										(—0.2)	(—0.2)
										1.3	42.4
										(1.3)	(41.7)
										(0.6)	(0.6)
										—8.6	—30.0
										(—8.6)	(—30.4)
										(0.4)	(0.4)
										—51.1	—51.1
										(—51.7)	(—51.7)
										(0.6)	(0.6)

*\$50 million or less.

† Allowances for civilian agencies are separately identified in table 18; all other tables in this part present only the totals for these allowances.

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Table 3. RECEIPTS BY SOURCE AND OUTLAYS BY AGENCY, 1986-92

(In billions of dollars)

	1986 actual	Estimate					
		1987	1988	1989	1990	1991	1992
Receipts by Source:							
Individual income taxes.....	349.0	364.0	392.8	417.3	450.8	489.0	523.7
Corporation income taxes.....	63.1	104.8	117.2	128.6	139.8	149.2	160.5
Social insurance taxes and contri- butions.....	283.9	301.5	333.2	357.2	384.0	409.9	431.2
On-budget.....	(83.7)	(87.4)	(91.1)	(93.8)	(97.3)	(102.2)	(106.0)
Off-budget.....	(200.2)	(214.0)	(242.1)	(263.4)	(286.6)	(307.7)	(325.3)
Excise taxes.....	32.9	32.6	33.4	32.9	33.7	34.3	35.2
Estate and gift taxes.....	7.0	6.0	5.8	5.0	4.4	3.9	3.3
Customs duties.....	13.3	14.4	15.3	16.2	16.8	17.6	18.5
Miscellaneous receipts.....	19.9	19.1	18.9	19.0	18.8	19.3	18.8
Total receipts.....	769.1	842.4	916.6	976.2	1,048.3	1,123.2	1,191.2
On-budget.....	(568.9)	(628.4)	(674.5)	(712.8)	(761.6)	(815.4)	(865.9)
Off-budget.....	(200.2)	(214.0)	(242.1)	(263.4)	(286.6)	(307.7)	(325.3)
Outlays by agency:							
Legislative branch.....	1.7	2.1	2.2	2.2	2.2	2.2	2.3
The Judiciary.....	1.1	1.2	1.4	1.5	1.5	1.5	1.6
Executive Office of the President.....	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Funds appropriated to the Presi- dent.....	11.4	11.8	11.2	13.3	12.7	12.3	11.7
Agriculture.....	58.7	55.1	50.7	46.5	42.9	39.5	37.6
Commerce.....	2.1	2.4	2.3	2.4	3.3	2.0	1.9
Defense—Military ¹	265.6	274.2	289.3	303.7	321.0	340.0	361.0
Defense—Civil.....	20.3	20.9	22.1	23.4	24.5	25.5	26.5
Education.....	17.7	16.8	14.7	14.4	13.3	12.8	12.4
Energy.....	11.0	10.6	10.2	10.9	11.8	12.5	13.5
Health and Human Services, except social security.....	143.3	145.3	146.8	156.3	165.2	176.4	185.9
Health and Human Services, social security.....	190.7	202.9	214.5	227.0	241.4	256.2	270.6
Housing and Urban Development.....	14.1	14.6	13.9	14.3	14.0	13.6	13.7
Interior.....	4.8	5.2	4.4	4.7	4.6	4.4	4.3
Justice.....	3.8	4.8	5.8	5.6	5.4	5.5	5.6
Labor.....	24.1	24.5	25.4	25.4	25.9	26.2	26.8
State.....	2.9	3.3	3.6	3.7	3.9	4.0	3.9
Transportation.....	27.4	26.2	24.6	25.9	25.5	25.0	25.4
Treasury.....	179.2	180.2	187.3	197.0	200.7	202.9	196.0
Environmental Protection Agency.....	4.9	4.6	4.6	4.7	4.7	4.6	4.5
General Services Administration.....	0.2	—0.1	—0.4	—0.3	—0.2	—0.3	—0.7
National Aeronautics and Space Administration.....	7.4	7.9	9.5	11.1	11.1	11.0	11.0
Office of Personnel Management.....	24.0	27.7	26.8	28.4	29.9	31.5	33.1
Small Business Administration.....	0.6	0.1	—0.3	—0.1	0.4	0.4	0.4
Veterans Administration.....	26.5	26.8	27.0	27.6	27.9	28.5	28.9
Other independent agencies.....	11.4	17.9	11.5	9.2	10.5	11.9	11.8
Allowances ²			—0.8	0.5	2.8	4.9	7.1
Undistributed offsetting receipts.....	—65.0	—71.8	—84.2	—90.2	—99.1	—110.8	—118.0
Interest.....	(—32.0)	(—34.7)	(—38.8)	(—44.4)	(—50.6)	(—56.8)	(—62.4)
Other.....	(—33.0)	(—37.1)	(—45.4)	(—45.8)	(—48.5)	(—54.0)	(—55.6)

Table 3. RECEIPTS BY SOURCE AND OUTLAYS BY AGENCY, 1986-92—Continued

(In billions of dollars)

	1986 actual	Estimate					
		1987	1988	1989	1990	1991	1992
Total outlays	989.8	1,015.6	1,024.3	1,069.0	1,107.8	1,144.4	1,178.9
On-budget	(806.3)	(821.1)	(821.9)	(857.3)	(885.4)	(911.1)	(935.1)
Off-budget	(183.5)	(194.5)	(202.4)	(211.7)	(222.4)	(233.3)	(243.9)
Surplus or deficit (—)	—220.7	—173.2	—107.8	—92.8	—59.5	—21.3	12.3
On-budget	(—237.5)	(—192.7)	(—147.4)	(—144.5)	(—123.8)	(—95.7)	(—69.1)
Off-budget	(16.7)	(19.5)	(39.7)	(51.7)	(64.3)	(74.4)	(81.4)

¹ Includes allowances for civilian and military pay raises for the Department of Defense.² Includes allowances for civilian agency pay raises and military pay raises for the Coast Guard.

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Table 4.—OUTLAYS BY FUNCTION, 1986-92

(In billions of dollars)

	1986 actual	Estimate					
		1987	1988	1989	1990	1991	1992
050 National defense:	273.4	282.2	297.6	312.2	330.0	349.5	370.9
Department of Defense—Mili- tary ¹	265.6	274.2	289.3	303.7	321.0	340.0	361.0
Other	7.7	8.0	8.2	8.5	9.0	9.5	9.9
150 International affairs	14.2	14.6	15.2	18.1	17.9	18.0	17.7
250 General science, space, and technology	9.0	9.5	11.4	13.2	13.5	13.8	14.3
270 Energy	4.7	3.8	3.3	2.9	3.2	2.9	3.1
300 Natural resources, and envi- ronment	13.6	13.9	14.2	15.2	15.3	14.9	14.5
350 Agriculture	31.4	31.1	26.3	21.8	18.2	14.7	13.0
370 Commerce and housing credit ..	4.4	9.3	2.5	0.7	1.4	0.2	-1.6
400 Transportation	28.1	27.0	25.5	26.7	26.4	25.8	26.2
450 Community and regional de- velopment	7.2	6.2	5.5	4.4	4.0	4.2	4.2
500 Education, training, employ- ment, and social services	30.6	29.8	28.4	28.9	28.0	27.5	26.5
550 Health	35.9	39.7	38.9	40.4	42.2	43.9	45.6
570 Medicare	70.2	71.6	73.0	81.1	87.9	95.9	104.4
600 Income security	119.8	124.9	124.8	128.7	133.5	138.9	143.6
650 Social security	198.8	207.9	219.4	232.5	246.8	261.5	275.5
On-budget	(8.1)	(5.0)	(4.9)	(5.4)	(5.4)	(5.3)	(4.9)
Off-budget	(190.7)	(202.9)	(214.5)	(227.0)	(241.4)	(256.2)	(270.6)
700 Veterans benefits and services ..	26.4	26.7	27.2	27.6	28.0	28.6	29.0
750 Administration of justice	6.6	8.3	9.2	8.9	8.8	8.9	9.1
800 General government	6.1	6.8	7.5	7.9	7.9	7.9	7.8
850 General purpose fiscal assist- ance	6.4	1.9	1.5	1.5	1.6	1.7	1.7
900 Net interest	136.0	137.5	139.0	141.5	139.0	134.8	122.1
On-budget	(140.3)	(142.5)	(145.6)	(150.8)	(151.3)	(150.4)	(141.1)
Off-budget	(-4.3)	(-5.1)	(-6.6)	(-9.2)	(-12.3)	(-15.6)	(-19.0)
920 Allowances ²			-0.8	0.5	2.8	4.9	7.1
950 Undistributed offsetting re- ceipts:							
Employer share, employee re- tirement (on-budget)	-25.4	-28.0	-32.1	-33.8	-35.5	-37.3	-39.0
Employer share, employee re- tirement (off-budget)	-2.9	-3.3	-5.5	-6.1	-6.7	-7.3	-7.8
Rents and royalties on the Outer Continental Shelf	-4.7	-3.9	-3.7	-3.5	-3.8	-4.0	-4.3
Sale of major assets		-1.9	-4.1	-2.3	-2.5	-5.4	-4.5
Total undistributed offsetting receipts	-33.0	-37.1	-45.4	-45.8	-48.5	-54.0	-55.6
On-budget	(-30.2)	(-33.8)	(-39.9)	(-39.7)	(-41.8)	(-46.8)	(-47.8)
Off-budget	(-2.9)	(-3.3)	(-5.5)	(-6.1)	(-6.7)	(-7.3)	(-7.8)
Total outlays	989.8	1,015.6	1,024.3	1,069.0	1,107.8	1,144.4	1,178.9
On-budget	(806.3)	(821.1)	(821.9)	(857.3)	(885.4)	(911.1)	(935.1)
Off-budget	(183.5)	(194.5)	(202.4)	(211.7)	(222.4)	(233.3)	(243.9)

¹ Includes allowances for civilian and military pay raises for the Department of Defense.² Includes allowances for civilian agency pay raises and military pay raises for the Coast Guard.

Table 5. CREDIT BUDGET: NEW DIRECT LOAN OBLIGATIONS AND GUARANTEED LOAN COMMITMENTS BY AGENCY

(In millions of dollars)

Department or other unit	Direct loan obligations			Guaranteed loan commitments		
	1986 actual	1987 estimate	1988 estimate	1986 actual	1987 estimate	1988 estimate
Funds Appropriated to the President.....	6,443	5,405	5,720	282	345	250
Agriculture.....	26,658	22,508	15,915	4,117	8,113	6,840
Commerce.....	10	160	17	41	72	
Defense.....	568					
Education.....	1,582	1,232	1,404	8,575	9,591	9,398
Energy.....	4					
Health and Human Services.....	22	47	32	374	343	100
Housing and Urban Development ¹	1,060	1,711	832	102,673	87,125	70,000
Interior.....	67	67	45	37	40	34
Labor.....	2	3	3			
State.....	1	1	1			
Transportation.....	1,337	658	153	48		
Environmental Protection Agency.....	32					
Small Business Administration.....	1,543	916	804	2,780	3,617	3,510
Veterans Administration.....	972	933	829	34,297	35,000	27,930
Other independent agencies:						
Export-Import Bank.....	578	900	1,000	5,508	11,355	10,000
Federal Deposit Insurance Corporation.....	128					
Federal Savings and Loan Insurance Corporation (FHLBB).....	21	25	25	506	103	300
National Credit Union Administration.....	34	61	77	6	2	1
Tennessee Valley Authority.....	268	301	280			
Total.....	41,329	34,927	27,136	159,243	155,705	128,362
ADDENDUM						
Secondary guaranteed loans ¹				137,962	132,500	100,000

¹ Commitments by GNMA to guarantee securities that are backed by loans previously insured or guaranteed by the Federal Housing Administration, Veterans Administration, or Farmers Home Administration (secondary guarantees) are excluded from the totals and shown as a memorandum entry.

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Table 6. FEDERAL GOVERNMENT FINANCING AND DEBT

(In billions of dollars)

FINANCING

	1986 actual	Estimate					
		1987	1988	1989	1990	1991	1992
Surplus or deficit (—)	— 220.7	— 173.2	— 107.8	— 92.8	— 59.5	— 21.3	12.3
On-budget	(— 237.5)	(— 192.7)	(— 147.4)	(— 144.5)	(— 123.8)	(— 95.7)	(— 69.1)
Off-budget	(16.7)	(19.5)	(39.7)	(51.7)	(64.3)	(74.4)	(81.4)
Means of financing other than borrowing from the public:							
Decrease or increase (—) in Treasury operating cash balance..	— 14.3	11.4					
Increase or decrease (—) in:							
Checks outstanding, etc. ¹	1.9	1.9	1.8				
Deposit fund balances....	— 3.5	— 2.8	— 1.2				
Seigniorage on coins	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Total, means of financing other than borrowing from the public....	— 15.6	10.9	1.0	0.4	0.4	0.4	0.4
Total, requirements for borrowing from the public....	— 236.3	— 162.2	— 106.7	— 92.3	— 59.1	— 20.9	12.7
Change in debt held by the public	236.3	162.2	106.7	92.3	59.1	20.9	— 12.7

DEBT, END OF YEAR

Gross Federal debt:							
Debt issued by Treasury	2,128.2	2,364.7	2,580.3	2,793.2	2,989.1	3,160.3	3,307.7
Debt issued by other agencies	4.8	7.8	5.1	3.7	2.2	2.2	2.2
Total, gross Federal debt	2,132.9	2,372.4	2,585.5	2,796.9	2,991.3	3,162.6	3,309.8
Held by:							
Government accounts	386.8	464.0	570.4	689.4	824.8	975.2	1,135.2
The public	1,746.1	1,908.4	2,015.1	2,107.5	2,166.5	2,187.4	2,174.7
Federal Reserve Banks	190.9						
Others	1,555.3						

Table 6. FEDERAL GOVERNMENT FINANCING AND DEBT—Continued

(In billions of dollars)

DEBT SUBJECT TO STATUTORY LIMITATION, END OF YEAR

	1986 actual	Estimate					
		1987	1988	1989	1990	1991	1992
Debt issued by Treasury	2,128.2	2,364.7	2,580.3	2,793.2	2,989.1	3,160.3	3,307.7
Treasury debt not subject to limitation (—) ²	—18.5	—12.7	—7.6	—2.6	—2.6	—2.6	—2.6
Agency debt subject to limitation	1.3	1.3	0.2	0.2	0.2	0.2	0.2
Total, debt subject to statutory limitation ³ .	2,111.0	2,353.3	2,573.0	2,790.8	2,986.7	3,158.0	3,305.3

¹ Besides checks outstanding, includes accrued interest payable on Treasury debt, miscellaneous liability accounts, allocations of special drawing rights, and, as an offset, cash and monetary assets other than the Treasury operating cash balance, miscellaneous asset accounts, profit on sale of gold, and a technical error in recording FDIC outlays in 1986.

² Consists of Federal Financing Bank debt, the unamortized difference between the purchase price and par value of certain Treasury securities held by Government accounts, and other Treasury debt not subject to statutory limitation.

³ The permanent statutory debt limit is \$2,111 billion. Public Law 99-509 temporarily increased the limit to \$2,300 billion through May 15, 1987.

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Table 7. FULL-TIME EQUIVALENT OF FEDERAL CIVILIAN EMPLOYMENT ¹

	Fiscal year				
	1986 actual ²	1987 estimate	1988 estimate	1989 estimate	difference 1987-88
Agriculture	102,997	106,393	99,085	98,894	-7,308
Commerce	32,321	33,849	41,049	43,577	7,200
Defense—civil functions	28,511	28,348	28,347	28,347	-1
Education	4,526	4,500	4,500	4,500	.....
Energy	16,193	16,100	15,950	15,850	-150
Health and Human Services	128,105	124,745	119,099	114,208	-5,646
Housing and Urban Development	11,720	12,535	12,438	11,428	-97
Interior	70,657	71,350	70,400	70,400	-950
Justice	63,307	69,463	76,920	77,782	7,457
Labor	17,931	18,339	18,060	17,997	-279
State	25,261	26,147	26,658	26,803	511
Transportation	60,375	60,480	59,868	57,404	-612
Treasury	130,845	136,807	146,188	148,574	9,381
Environmental Protection Agency	12,931	14,165	14,323	14,263	158
National Aeronautics and Space Administration	21,660	21,800	22,425	22,425	625
Veterans Administration	220,642	221,227	216,709	215,218	-4,518
Other:					
Agency for International Development	4,675	4,825	4,825	4,825	.....
General Services Administration	22,745	22,281	21,677	20,877	-604
Nuclear Regulatory Commission	3,445	3,369	3,250	3,180	-119
Office of Personnel Management	5,306	5,419	5,195	5,005	-224
Panama Canal Commission	8,336	8,550	8,665	8,665	115
Small Business Administration	4,054	4,115	4,227	4,050	112
Tennessee Valley Authority	27,613	29,500	29,500	29,500	.....
United States Information Agency	8,981	9,120	9,020	9,020	-100
Miscellaneous	39,652	43,529	44,049	43,981	520
Estimated nondefense lapse .....	.....	-21,939	-19,292	-16,452	2,647
Civilian agency employment	1,072,789	1,075,017	1,083,135	1,080,321	8,118
Defense—military functions ³	1,041,352	1,039,000	1,037,000	1,036,000	-2,000
Subtotal	2,114,141	2,114,017	2,120,135	2,116,321	6,118
Postal Service Employment ⁴	739,574	764,590	794,000	824,000	29,410
Total, Executive Branch	2,853,715	2,878,607	2,914,135	2,940,321	35,528

¹ Excludes developmental positions under the Worker-Trainee Opportunity Program (WTOP) as well as certain statutory exemptions.
² Data are estimated for portions of Defense—civil functions as well as for the Federal Reserve System, Board of Governors and the International Trade Commission.

³ Section 904 of the 1982 Defense Authorization Act (Public Law 97-86) exempts the Department of Defense from full-time equivalent employment controls. Data shown are estimated.

⁴ Includes the Postal Rate Commission.

Table 8. BUDGET AUTHORITY BY FUNCTION, 1986-92

(In billions of dollars)

	1986 actual	Estimate					
		1987	1988	1989	1990	1991	1992
050 National defense.....	289.1	292.9	312.0	332.4	353.5	375.0	396.9
Department of Defense—Military ¹	(281.4)	(284.9)	(303.3)	(323.3)	(343.9)	(364.9)	(386.5)
Other.....	(7.8)	(8.0)	(8.7)	(9.1)	(9.6)	(10.1)	(10.4)
150 International affairs.....	16.7	18.0	19.1	18.3	19.2	19.2	19.2
250 General science, space, and technology.....	9.3	12.2	11.5	12.9	13.5	14.1	14.6
270 Energy.....	6.0	2.6	2.5	3.6	3.9	4.1	4.0
300 Natural resources and environment.....	11.7	13.2	14.1	14.9	14.9	14.1	13.7
350 Agriculture.....	29.9	27.3	22.2	24.0	21.6	16.7	18.6
370 Commerce and housing credit.....	11.0	7.9	8.8	8.6	9.5	8.3	7.9
400 Transportation.....	28.9	27.0	24.6	24.6	24.8	25.7	25.9
450 Community and regional development.....	6.9	6.1	5.3	5.9	5.8	5.3	5.1
500 Education, training, employment, and social services.....	30.3	30.0	28.8	28.4	27.6	27.3	26.2
550 Health.....	36.6	40.3	41.4	42.2	43.4	44.9	46.3
570 Medicare.....	87.2	83.9	94.4	103.4	112.5	122.3	132.7
600 Income security.....	158.0	160.5	160.2	165.3	170.3	185.4	187.8
650 Social security.....	201.7	227.4	259.1	284.2	311.0	335.9	356.9
On-budget.....	(4.9)	(5.0)	(4.9)	(5.4)	(5.4)	(5.3)	(4.9)
Off-budget.....	(196.8)	(222.4)	(254.2)	(278.8)	(305.7)	(330.6)	(352.0)
700 Veterans benefits and services.....	27.2	27.1	27.7	28.3	28.5	28.8	29.3
750 Administration of justice.....	6.8	8.7	9.0	9.0	9.1	9.3	9.4
800 General government.....	6.8	6.9	7.5	7.8	8.0	8.0	8.1
850 General purpose fiscal assistance.....	5.8	1.6	1.5	1.5	1.6	1.7	1.7
900 Net interest.....	136.0	137.5	139.0	141.5	139.0	134.8	122.1
On-budget.....	(140.3)	(142.5)	(145.6)	(150.8)	(151.3)	(150.4)	(141.1)
Off-budget.....	(-4.3)	(-5.1)	(-6.6)	(-9.2)	(-12.3)	(-15.6)	(-19.0)
920 Allowances ²			-0.9	0.5	2.8	5.1	7.3
950 Undistributed offsetting receipts:							
Employer share, employee retirement (on-budget).....	-25.4	-28.0	-32.1	-33.8	-35.5	-37.3	-39.0
Employer share, employee retirement (off-budget).....	-2.9	-3.3	-5.5	-6.1	-6.7	-7.3	-7.8
Rents and royalties on the Outer Continental Shelf.....	-4.7	-3.9	-3.7	-3.5	-3.8	-4.0	-4.3
Sale of major assets.....		-1.9	-4.1	-2.3	-2.5	-5.4	-4.5
Total undistributed offsetting receipts.....	-33.0	-37.1	-45.4	-45.8	-48.5	-54.0	-55.6
On-budget.....	(-30.2)	(-33.8)	(-39.9)	(-39.7)	(-41.8)	(-46.8)	(-47.8)
Off-budget.....	(-2.9)	(-3.3)	(-5.5)	(-6.1)	(-6.7)	(-7.3)	(-7.8)
Total budget authority.....	1,072.8	1,093.9	1,142.2	1,211.6	1,271.9	1,331.8	1,377.9
On-budget.....	(883.2)	(879.9)	(900.1)	(948.2)	(985.2)	(1,024.1)	(1,052.6)
Off-budget.....	(189.6)	(214.0)	(242.1)	(263.4)	(286.6)	(307.7)	(325.3)

¹Includes allowances for civilian and military pay raises for the Department of Defense.²Includes allowances for civilian agency pay raises and military pay raises for the Coast Guard.

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Table 9. BUDGET AUTHORITY BY AGENCY, 1986-92

(In billions of dollars)

Department or other unit	1986 Actual	Estimate					
		1987	1988	1989	1990	1991	1992
Legislative Branch.....	1.7	1.9	2.2	2.2	2.2	2.2	2.3
The Judiciary.....	1.0	1.3	1.5	1.5	1.5	1.6	1.6
Executive Office of the President.....	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Funds Appropriated to the President.....	11.1	12.6	13.1	12.2	12.9	12.7	12.8
Agriculture.....	59.2	53.1	49.0	52.4	50.7	45.7	47.7
Commerce.....	2.0	2.0	2.1	2.4	3.1	2.0	1.8
Defense—Military ¹	281.4	284.9	303.3	323.3	343.9	364.9	386.5
Defense—Civil.....	32.7	34.5	36.7	38.5	40.6	42.5	44.5
Education.....	17.9	17.1	14.0	13.8	13.3	12.8	12.5
Energy.....	10.6	9.6	10.5	11.9	12.6	13.4	13.7
Health and Human Services, except social security.....	156.5	158.4	171.0	180.6	190.7	203.3	214.2
Health and Human Services, social security.....	196.8	222.4	254.2	278.8	305.7	330.6	352.0
Housing and Urban Development.....	15.9	14.2	10.2	10.3	10.5	18.0	15.6
Interior.....	4.6	4.6	4.4	4.6	4.6	4.5	4.4
Justice.....	3.9	5.3	5.6	5.7	5.7	5.8	5.8
Labor.....	28.8	29.1	28.3	27.9	27.5	28.6	28.1
State.....	4.0	3.8	4.3	4.4	4.4	4.5	4.5
Transportation.....	28.1	26.1	23.6	23.8	23.9	24.8	25.0
Treasury.....	179.7	180.3	187.1	197.1	200.7	202.8	195.8
Environmental Protection Agency.....	3.4	4.9	4.6	4.5	4.4	4.0	3.7
General Services Administration.....	0.3	0.1	-0.2	-0.2	-0.1	-0.1	-0.1
National Aeronautics and Space Administration.....	7.8	10.5	9.5	10.6	10.9	11.0	11.0
Office of Personnel Management.....	44.2	44.8	47.0	49.2	51.6	53.8	55.8
Small Business Administration..	0.7	0.5	0.4	0.5	0.5	0.4	0.4
Veterans Administration.....	27.1	27.0	27.6	28.2	28.4	28.7	29.2
Other Independent Agencies.....	18.2	16.6	17.0	17.2	17.9	18.9	19.8
Allowances ²			-0.9	0.5	2.8	5.1	7.3
Undistributed offsetting receipts:							
Interest received by on- budget trust funds.....	-26.6	-28.7	-31.6	-35.2	-38.3	-41.1	-43.4
Interest received by off- budget trust funds.....	-4.3	-5.1	-6.6	-9.2	-12.3	-15.6	-19.0
Interest received by OCS escrow account.....	-1.1	-0.9	-0.6				
Employer share, employee retirement (on-budget)....	-25.4	-28.0	-32.1	-33.8	-35.5	-37.3	-39.0
Employer share, employee retirement (off-budget)....	-2.9	-3.3	-5.5	-6.1	-6.7	-7.3	-7.8

Table 9. BUDGET AUTHORITY BY AGENCY, 1986-92—Continued

(In billions of dollars)

Department or other unit	1986 Actual	Estimate					
		1987	1988	1989	1990	1991	1992
Rents and royalties on the Outer Continental Shelf.....	-4.7	-3.9	-3.7	-3.5	-3.8	-4.0	-4.3
Sale of major assets.....		-1.9	-4.1	-2.3	-2.5	-5.4	-4.5
Total undistributed offsetting receipts.....	-65.0	-71.8	-84.2	-90.2	-99.1	-110.8	-118.0
On-budget.....	(-57.8)	(-63.4)	(-72.1)	(-74.9)	(-80.1)	(-87.9)	(-91.3)
Off-budget.....	(-7.2)	(-8.4)	(-12.1)	(-15.4)	(-19.0)	(-22.9)	(-26.8)
Total budget authority.....	1,072.8	1,093.9	1,142.2	1,211.6	1,271.9	1,331.8	1,377.9
On-budget.....	(883.2)	(879.9)	(900.1)	(948.2)	(985.2)	(1,024.1)	(1,052.6)
Off-budget.....	(189.6)	(214.0)	(242.1)	(263.4)	(286.6)	(307.7)	(325.3)
MEMORANDUM							
Available through current action by Congress:							
Enacted and pending.....	535.0	555.1					
Proposed in this budget.....		-1.2	567.6	608.7	636.6	N/A	N/A
To be requested separately.....		0.7	4.0	1.2	3.0	N/A	N/A
Available without current action by Congress.....	725.8	724.2	779.9	819.1	863.6	N/A	N/A
Deductions for offsetting receipts ³	-188.1	-185.0	-209.3	-217.5	-231.4	N/A	N/A
Total budget authority.....	1,072.8	1,093.9	1,142.2	1,211.6	1,271.9	1,331.8	1,377.9

N/A = Not available

¹ Includes allowances for civilian and military pay raises for Department of Defense.² Includes allowances for civilian agency pay raises and military pay raises for the Coast Guard.³ These consist of intragovernmental transactions and proprietary receipts from the public.

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Table 10. BUDGET AUTHORITY AND OUTLAYS AVAILABLE WITH AND WITHOUT CURRENT ACTION BY CONGRESS ¹

(In millions of dollars)

Department or other unit	Budget authority			Outlays		
	1986 actual	1987 estimate	1988 estimate	1986 actual	1987 estimate	1988 estimate
Portion available through current action by Congress:						
Legislative branch.....	1,580	1,766	1,989	1,411	1,646	1,884
The Judiciary.....	1,030	1,276	1,437	945	1,123	1,278
Executive Office of the President.....	108	119	127	93	103	111
Funds appropriated to the President....	13,565	13,320	14,065	5,695	5,504	5,291
Agriculture.....	25,681	24,548	29,659	22,848	22,409	24,645
Commerce.....	2,067	1,958	2,122	1,378	1,379	1,564
Defense—Military ²	278,453	285,603	303,797	158,202	163,158	175,712
Defense—Civil.....	2,786	3,202	3,357	1,932	2,411	2,552
Education.....	17,932	17,046	14,043	7,572	5,558	4,139
Energy.....	13,336	12,777	13,779	8,128	7,988	8,375
Health and Human Services ³	72,427	78,771	83,905	65,136	71,650	69,231
Housing and Urban Development.....	14,939	12,267	8,289	826	936	1,022
Interior.....	4,928	4,810	4,758	3,612	3,864	3,684
Justice.....	3,806	5,208	5,322	2,957	3,869	4,123
Labor.....	6,340	5,303	8,613	1,999	1,627	4,260
State.....	3,484	3,196	3,711	2,174	2,334	2,440
Transportation.....	9,855	19,470	10,484	5,975	7,804	6,054
Treasury.....	10,422	6,547	7,452	9,626	5,686	6,511
Environmental Protection Agency.....	3,660	5,540	4,689	1,156	1,930	1,272
General Services Administration.....	392	383	251	321	317	156
National Aeronautics and Space Administration.....	7,807	10,408	9,481	5,322	5,353	5,891
Office of Personnel Management.....	6,040	6,115	6,187	5,240	5,997	4,446
Small Business Administration.....	371	486	379	139	150	161
Veterans Administration.....	26,230	26,300	26,824	23,043	23,181	23,483
Other independent agencies.....	7,802	8,221	7,805	5,698	6,190	5,457
Allowances ⁴			— 883			— 770
Subtotal.....	535,040	554,641	571,645	341,428	352,169	362,972
Portion available without current action by Congress.....	725,804	724,295	779,872	536,769	514,505	513,506
Outlays from obligated balances ⁵				214,620	216,314	225,849
Outlays from unobligated balances ⁵				85,072	117,588	131,338
Deductions for offsetting receipts.....	— 188,073	— 185,003	— 209,338	— 188,073	— 185,003	— 209,338
Total budget authority and outlays.....	1,072,773	1,093,933	1,142,180	989,815	1,015,572	1,024,328
MEMORANDUM						
Appropriations to liquidate contract authority: ⁶						
Agriculture.....		2,486	665			
Interior.....	10	12				
Transportation.....	14,958	14,453	15,288			
Total.....	14,968	16,952	15,953			

¹ Includes budget authority and outlays that are off-budget under current law.² Includes allowances for civilian and military pay raises for Department of Defense.³ Includes amounts for social security trust funds that are available through current action by Congress.⁴ Includes allowances for civilian agency pay raises and military pay raises for the Coast Guard.⁵ Outlays from appropriations to liquidate contract authority are included as outlays from balances.⁶ Excluded from budget authority above.

Table 11. RELATION OF BUDGET AUTHORITY TO OUTLAYS ¹

(In millions of dollars)

Description	1986 actual	1987 estimate	1988 estimate
<i>Budget authority available through current action by Congress:</i>			
Enacted, pending, or recommended herein:			
Appropriations ²	528,476	542,097	560,843
Contract authority	5,700	12,496	2,501
Authority to borrow	636	-1,349	51
Reappropriations and reauthorizations	228	660	69
To be requested separately:			
Appropriations ²		737	7,476
Contract authority			-30
Authority to borrow			734
Total budget authority available through current action by Congress (table 10)	535,040	554,641	571,645
<i>Budget authority available without current action by Congress (permanent authorizations):</i>			
Appropriations ²	658,824	676,820	735,928
Contract authority	34,101	15,476	22,614
Authority to borrow	32,880	31,999	21,331
<i>Deductions for offsetting receipts (table 14):</i>			
Intragovernmental transactions	-153,024	-148,618	-167,304
Proprietary receipts from the public	-35,049	-36,385	-42,034
Total budget authority for the year (table 8)	1,072,773	1,093,933	1,142,180
<i>Unobligated balances and adjustments:</i>			
Unobligated balances:			
Brought forward at start of year (table 12)	479,724	526,141	580,191
Written off (rescinded, lapsed, etc.) ³	-13,312	-17,760	-16,804
Carried forward at end of year (table 12)	-526,141	-580,191	-680,133
Obligations incurred, net ⁴	1,013,044	1,022,123	1,025,433
<i>Obligated balances:</i>			
Brought forward at start of year, funded (table 12)	589,316	601,782	596,872
Adjustments in expired accounts	9,921	-1,127	-13
Adjustments in unexpired accounts	-20,692	-10,334	-11,210
Deficiency appropriations	9		
Carried forward at end of year (table 12)	-601,782	-596,872	-586,755
Outlays (table 3)	989,815	1,015,572	1,024,328
MEMORANDUM			
Federal funds included above:			
Budget authority available through current action by Congress	532,048	541,522	559,740
Budget authority ⁵	779,716	779,313	795,201
Obligations incurred, net ⁵	781,527	772,116	777,473
Budget outlays ⁵	756,486	769,097	780,469

¹ Includes budget authority and outlays that are off-budget under current law.² Excludes appropriations to liquidate contract authority.

	1986 actual	1987 estimate	1988 estimate
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Enacted, pending, or recommended herein	37,008	36,990	36,275
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³ Includes redemption of agency debt and capital transfers to the general fund, as well as proposed and enacted rescissions of unobligated balances.⁴ For additional information on obligations incurred, net, see the OMB report entitled, "Object Class Analysis", which can be purchased from the National Technical Information Service shortly after the budget is transmitted.⁵ Amounts are net of intrafund transactions and proprietary receipts from the public.

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Table 12. BALANCES OF BUDGET AUTHORITY ¹

(In millions of dollars)

Department or other unit	Start 1986		End 1986		End 1987		End 1988	
	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated
Legislative branch	401	401	388	415	383	195	389	152
The Judiciary	124	142	115	122	159	128	176	138
Executive Office of the President	21	*	17	*	18	*	19	*
Funds appropriated to the President	33,740	31,226	32,962	29,634	32,752	29,433	32,329	29,370
Agriculture	24,521	2,189	29,445	2,255	22,407	1,227	13,404	989
Commerce	1,643	352	1,445	387	1,129	169	946	162
Defense—Military ²	182,861	61,487	196,407	59,046	209,459	50,464	224,031	49,697
Defense—Civil	2,184	10,459	2,135	22,939	2,398	36,189	2,664	50,556
Education	13,683	1,993	13,670	1,676	11,877	2,221	11,488	1,320
Energy	7,949	2,450	7,111	2,649	7,613	563	7,883	131
Health and Human Services, except social security	7,301	36,563	7,309	48,447	10,410	58,052	12,869	79,793
Health and Human Services, social security	14,727	25,026	15,824	30,046	16,836	48,554	16,838	88,222
Housing and Urban Development	212,131	58,427	203,883	56,698	189,933	59,027	171,998	59,605
Interior	2,346	2,156	2,165	2,104	1,919	1,735	1,788	1,689
Justice	730	445	884	338	1,422	282	1,214	384
Labor	4,957	19,802	3,755	25,412	3,585	30,002	4,828	31,412
State	702	2,990	867	3,962	1,193	4,089	1,352	4,660
Transportation	35,197	12,252	38,851	12,053	38,075	12,659	37,548	11,905
Treasury	3,459	22,589	1,016	19,396	996	19,082	1,114	18,815
Environmental Protection Agency	10,176	1,136	8,828	1,048	8,835	1,327	9,189	921
General Services Administration ..	970	1,244	402	1,879	811	1,587	1,069	1,512
National Aeronautics and Space Administration	1,631	913	1,640	1,249	2,347	3,096	2,647	2,651
Office of Personnel Management	1,982	146,999	2,768	166,458	2,994	183,330	3,188	203,329
Small Business Administration	260	1,952	421	589	398	850	363	1,176
Veterans Administration	4,071	13,174	4,201	13,516	4,848	13,050	5,162	13,120
Other independent agencies:								
Export-Import Bank	3,109	439	1,732	797	2,628	2,023	2,153	2,650
Federal Home Loan Bank Board	1,907	3,920	6,671	1,084	3,812	199	3,175	1,535
Railroad Retirement Board	71	4,176	—259	6,289	—191	6,955	—96	7,809
All other independent agencies	16,461	14,820	17,128	15,651	17,825	13,704	17,139	16,430
Allowances ³							—113	
Total	589,316	479,724	601,782	526,141	596,872	580,191	586,755	680,133
MEMORANDUM								
Federal funds	516,596	206,866	531,068	191,579	522,625	181,271	508,407	182,248
Trust funds	72,721	272,857	70,714	334,562	74,247	398,920	78,348	497,886
Total	589,316	479,724	601,782	526,141	596,872	580,191	586,755	680,133

^{*}\$500 thousand or less.¹ Includes balances of budget authority that are off-budget under current law.² Includes balances of allowances for civilian and military pay raises for the Department of Defense.³ Includes balances of allowances for civilian agency pay raises.

Table 13. RECEIPTS BY SOURCE

(In millions of dollars)

Source	1986 actual	1987 estimate	1988 estimate
Individual income taxes:			
Withheld.....	314,838	313,648	326,691
Other.....	105,994	128,428	137,828
Proposed legislation.....		-2	1,097
Gross individual income taxes.....	420,832	442,074	465,616
Refunds.....	-71,873	-78,072	-72,795
Net individual income taxes.....	348,959	364,002	392,821
Corporation income taxes:			
Existing law.....	80,442	122,243	134,955
Proposed legislation.....			1,028
Refunds.....	-17,298	-17,482	-18,776
Net corporation income taxes.....	63,143	104,761	117,207
Social insurance taxes and contributions (trust funds):			
Employment taxes and contributions:			
Old-age and survivors insurance (off-budget).....	182,518	195,241	220,554
Proposed legislation (off-budget).....			359
Disability insurance (off-budget).....	17,711	18,777	21,154
Proposed legislation (off-budget).....			31
Hospital insurance.....	51,335	55,811	59,962
Proposed legislation.....			1,690
Railroad retirement:			
Social Security equivalent account.....	1,395	1,313	1,370
Rail pension fund.....	2,103	2,106	2,101
Proposed legislation.....			217
Total employment taxes and contributions.....	255,062	273,248	307,438
On-budget.....	(54,834)	(59,230)	(65,340)
Off-budget.....	(200,228)	(214,018)	(242,098)
Unemployment insurance:			
State taxes deposited in Treasury ¹	18,832	17,375	16,177
Proposed legislation.....			78
Federal unemployment tax receipts ¹	5,044	6,016	5,580
Proposed legislation.....			9
Railroad unemployment tax receipts ¹	221	216	207
Proposed legislation.....			42
Railroad debt repayment ¹		174	153
Total unemployment insurance.....	24,098	23,781	22,246
Other retirement contributions:			
Federal employees' retirement—employee contributions.....	4,645	4,332	3,394
Contributions for non-Federal employees ²	96	99	96
Proposed legislation.....			10
Total other retirement contributions.....	4,742	4,431	3,500
Total social insurance taxes and contributions.....	283,901	301,460	333,184
On-budget.....	(83,673)	(87,442)	(91,086)
Off-budget.....	(200,228)	(214,018)	(242,098)
Excise taxes:			
Federal funds:			
Alcohol taxes:			
Distilled spirits.....	4,045	4,097	4,045
Beer.....	1,597	1,603	1,615

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Table 13. RECEIPTS BY SOURCE—Continued

(In millions of dollars)

Source	1986 actual	1987 estimate	1988 estimate
Wines	297	321	337
Special taxes in connection with liquor occupations	21	21	21
Refunds	-132	-132	-132
Total alcohol taxes	5,828	5,910	5,886
Tobacco taxes:			
Cigarettes	4,557	4,731	4,501
Cigars	30	30	30
Cigarette papers and tubes	2	2	2
Smokeless tobacco	3	20	20
Other	8	8	8
Refunds	-11	-4	-4
Total tobacco taxes	4,589	4,787	4,557
Manufacturers' excise taxes:			
Gasoline	1	1	1
Firearms, shells, and cartridges	75	78	81
Pistols and revolvers	23	24	26
Bows and arrows	11	11	12
Gas guzzler tax	148	158	168
Windfall profit tax	2,251	-30	
Refunds	-176	-26	-26
Total manufacturers' excise taxes	2,333	216	262
Miscellaneous excise taxes:			
General and toll telephone and teletype service	2,339	2,605	1,020
Wagering taxes, including occupational taxes	7	8	8
Employee pension plans	17	265	141
Tax on foundations	210	350	260
Foreign insurance policies	140	87	90
Refunds	-223	-30	-20
Total miscellaneous excise taxes	2,490	3,285	1,499
Undistributed Federal tax deposits and unapplied collections	813	-87	24
Total Federal fund excise taxes	16,053	14,111	12,228
Trust funds:			
Highway:			
Gasoline	8,906	9,038	9,484
Trucks, buses, and trailers	1,144	1,188	1,305
Tires, innertubes, and tread rubber	320	267	274
Diesel fuel used on highways	2,667	2,741	2,885
Use-tax on certain vehicles	533	604	514
Proposed legislation			822
Refunds	-210	-187	-221
Total highway trust fund ³	13,363	13,651	15,063
Airport and airway:			
Transportation of persons	2,401	2,754	3,051
Waybill tax	138	166	186
Tax on fuels	112	102	106
International departure tax	93	109	112
Refunds	-8	-5	-5
Total airport and airway trust fund	2,736	3,126	3,450

Table 13. RECEIPTS BY SOURCE—Continued

(In millions of dollars)

Source	1986 actual	1987 estimate	1988 estimate
Aquatic resources trust fund	165	181	178
Black lung disability insurance trust fund	547	608	656
Proposed legislation			357
Inland waterway trust fund	40	45	48
Hazardous substances response trust fund	15	713	1,136
Post-closure liability trust fund	— *		
Harbor maintenance trust fund		79	170
Proposed legislation			— 10
Leaking underground storage tank trust fund		88	130
Total trust fund excise taxes	16,866	18,491	21,178
Total excise taxes	32,919	32,602	33,406
Estate and gift taxes	6,958	5,998	5,817
Customs duties: ⁴			
Existing law	13,327	14,430	15,108
Proposed legislation		15	166
Total customs duties	13,327	14,445	15,274
Miscellaneous receipts: ⁵			
Miscellaneous taxes	113	193	202
Proposed legislation			*
Deposit of earnings, Federal Reserve System	18,374	15,822	15,450
Alternative fuels production	*		
Fees for permits and regulatory and judicial services:			
Immigration, passport, and consular fees	236	586	704
Patent and copyright fees	1		
Registration and filing fees	335	272	312
Proposed legislation			46
Coal mining reclamation fees	217	229	234
Miscellaneous fees for permits, licenses, etc	36	36	36
Miscellaneous fees for regulatory and judicial services	98	208	231
Proposed legislation		68	197
Fees for legal and judicial services	5	4	4
Total fees for permits and regulatory and judicial services	929	1,403	1,765
Fines, penalties, and forfeitures:			
Petroleum overcharge funds		1,050	770
Other	424	638	656
Total fines, penalties, and forfeitures	424	1,688	1,426
Restitutions, reparations, and recoveries under military occupation	4	2	2
Gifts and contributions	47	39	43
Refunds and recoveries	— 6	— 25	— 25
Total miscellaneous receipts	19,884	19,122	18,863
Total receipts	769,091	842,390	916,571
On-budget	(568,862)	(628,372)	(674,473)
Off-budget	(200,228)	(214,018)	(242,098)
MEMORANDUM			
On-budget:			
Federal funds	473,484	526,091	569,040
Trust funds	206,933	215,149	232,537

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Table 13. RECEIPTS BY SOURCE—Continued

(In millions of dollars)

Source	1986 actual	1987 estimate	1988 estimate
Interfund transactions.....	—111,555	—112,868	—127,104
Total on-budget.....	568,862	628,372	674,473
Off-budget (trust funds)	200,228	214,018	242,098
Total	769,091	842,390	916,571

* \$500 thousand or less.

¹ Deposits by States are State payroll taxes that cover the benefit part of the program. Federal unemployment tax receipts cover administrative costs at both the Federal and State level. Railroad unemployment tax receipts cover both the benefits and administrative costs of the program for the railroads.

² Represents employer and employee contributions to the civil service retirement and disability fund for covered employees of Government-sponsored, privately owned enterprises and the District of Columbia municipal government.

³ For 1986, includes \$3 million in fines and penalties not separately shown.

⁴ Includes both Federal and trust funds. Trust fund amounts in customs duties are: 1986, \$30 million; 1987, \$53 million; and 1988, \$53 million.

⁵ Includes both Federal and trust funds. Trust fund amounts in miscellaneous receipts are: 1986, \$156 million; 1987, \$174 million; and 1988, \$185 million.

Note.—Estimates for 1987 and 1988 include effects of proposed legislation.

Table 14. OFFSETTING RECEIPTS BY TYPE

(In millions of dollars)

Type	1986 actual	1987 estimate	1988 estimate
INTRAGOVERNMENTAL TRANSACTIONS			
Intrabudgetary transactions:			
Federal intrafund transactions:			
Distributed by agency:			
Interest from the Federal Financing Bank	16,377	13,836	14,475
Interest on Government capital in enterprises	5,056	4,463	4,534
Other	166	146	151
Total Federal intrafunds	21,599	18,446	19,159
Trust intrafund transactions:			
Distributed by agency	2	2	2
Total intrafund transactions	21,601	18,447	19,160
Interfund transactions:			
Distributed by agency:			
Federal fund payments to trust funds:			
Contributions to insurance programs:			
Military retirement fund	10,500	10,524	11,200
Supplementary medical insurance	18,076	20,285	23,937
Hospital insurance	254	980	960
Railroad social security equivalent benefits	2,232	2,318	2,381
Railroad industry pension fund	1,114	244	85
Civilian supplementary retirement contributions	16,880	16,218	16,209
Unemployment insurance	292	338	333
Other	322	352	966
Miscellaneous contributions:			
State and local government fiscal assistance	4,185		
Other	347	1,033	228
Subtotal	54,203	52,291	56,298
Trust fund payments to Federal funds:			
Repayment of loans or advances to trust funds	4,841	3,381	5,585
Charges for services to trust funds	279	259	252
Other	228	239	1,231
Subtotal	5,347	3,879	7,068
Total interfunds distributed by agency	59,551	56,170	63,367
Undistributed by agency:			
Employer share, employee retirement (on-budget):			
Civil service retirement and disability insurance	6,357	7,661	10,026
Hospital insurance (contribution as employer) ¹	1,604	1,685	1,899
Military retirement fund	17,429	18,193	18,782
Other Federal employees retirement	44	474	1,421
Total employer share, employee retirement (on-budget)	25,434	28,013	32,128
Interest received by on-budget trust funds	26,570	28,685	31,608
Total interfund transactions undistributed by agency	52,004	56,698	63,737
Total interfund transactions	111,555	112,868	127,104
Total intrabudgetary transactions	133,156	131,315	146,264

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Table 14. OFFSETTING RECEIPTS BY TYPE—Continued

(In millions of dollars)

Type	1986 actual	1987 estimate	1988 estimate
Payments by on-budget accounts to off-budget accounts:			
Interfund transactions:			
Distributed by agency:			
Federal fund payments to trust funds:			
Old-age, survivors, and disability insurance	8,971	5,603	5,497
Undistributed by agency:			
Employer share, employee retirement (off-budget)	2,857	3,275	5,484
Interest received by off-budget trust funds	4,329	5,084	6,594
Total payments by on-budget accounts to off-budget accounts	16,158	13,962	17,575
Payments by off-budget accounts to on-budget accounts:			
Intrafund transactions from off-budget accounts:			
Distributed by agency:			
Payments to railroad retirement ²	2,653	2,746	2,850
Interest payments to hospital insurance	383		
Total intrafund transactions from off-budget accounts	3,036	2,746	2,850
Interfund transactions from off-budget accounts:			
Distributed by agency:			
Interest payments to the Treasury	516	595	615
Total payments by off-budget accounts to on-budget accounts	3,552	3,341	3,465
Intratruster transactions between off-budget accounts:			
Distributed by agency:			
Interest on inter-trust borrowings	159		
Total intragovernmental transactions	153,024	148,618	167,304
PROPRIETARY RECEIPTS FROM THE PUBLIC			
Distributed by agency:			
Interest:			
Interest on loans, Foreign Assistance Act	396	343	343
Other interest on foreign loans and deferred foreign collections	874	1,011	1,084
Interest on deposits in tax and loan accounts	906	750	705
Other interest (domestic-civil) ³	862	767	907
Total interest	3,039	2,871	3,039
Dividends and other earnings		5	5
Rents:			
Rent and bonuses from land leases, etc	94	58	102
Rent of land and other real property	—11	48	42
Rent of equipment and other personal property	14	15	16
Total rents	96	121	161
Royalties	844	784	829
Sale of products:			
Sale of timber and other natural land products	1,010	1,057	1,045
Sale of minerals and mineral products	580	609	701
Sale of power and other utilities	773	944	731
Sale of other products	*	*	*
Recovery of mint manufacturing expense	182	104	51
Total sale of products	2,544	2,713	2,528

Table 14. OFFSETTING RECEIPTS BY TYPE—Continued

(In millions of dollars)

Type	1986 actual	1987 estimate	1988 estimate
Fees and other charges for services and special benefits:			
Medicare premiums and other charges (trust fund).....	5,739	6,545	8,881
Revenues for enrichment of uranium	1,351	1,286	1,301
Nuclear waste disposal revenues.....	368	441	512
Veterans life insurance (trust funds)	441	403	402
Tolls and other revenues, Panama Canal.....	437	450	
Other ³	1,209	2,253	4,208
Total fees and other charges.....	9,545	11,377	15,304
Sale of Government property:			
Sale of land and other real property ³	59	253	403
Sale of equipment and other personal property:			
Military assistance program sales (trust fund).....	10,725	8,914	8,896
Sale of scrap and salvage material.....	61	65	67
Total sale of Government property.....	10,846	9,233	9,366
Realization upon loans and investments:			
Dollar repayments of loans, Agency for International Development	414	452	451
Foreign military credit sales.....	58	76	111
Dollar conversion of foreign currency.....	38	111	111
Repayment of loans to United Kingdom	87	89	90
Other.....	696	366	106
Total realization upon loans and investments	1,293	1,095	870
Recoveries and refunds ³	394	453	554
Miscellaneous receipt accounts ³	659	1,029	986
Total proprietary receipts from the public distributed by agency.....	29,261	29,681	33,643
Undistributed by agency:			
Other interest: Interest received from Outer Continental Shelf escrow account	1,072	901	604
Rents and royalties on the Outer Continental Shelf:			
Rents and bonuses.....	2,094	1,373	856
Royalties	2,622	2,530	2,830
Sale of major assets.....		1,900	4,100
Total proprietary receipts from the public undistributed by agency	5,788	6,704	8,391
Total proprietary receipts from the public ⁴	35,049	36,385	42,034
Total offsetting receipts	188,073	185,003	209,338

³\$500 thousand or less.¹ Includes provision for covered Federal civilian employees and military personnel.² Interchange receipts between the social security and railroad retirement funds place the social security funds in the same position they would have been if there were no separate railroad retirement system.³ Includes both Federal funds and trust funds.⁴ Consists of:

	1986 actual	1987 estimate	1988 estimate
Federal funds	18,027	17,844	21,638
Trust funds	17,021	18,541	20,396
Off-budget			

Table 15. LEGISLATIVE PROPOSALS FOR MAJOR NEW AND EXPANDED PROGRAMS IN THE 1988 BUDGET, PROJECTIONS OF COSTS*
(in millions of dollars)

		Estimates						
		1987	1988	1989	1990	1991	1992	
Department of Education:								
Income-contingent loan (ICL) program.....	BA.....	5	600	600	600	600	600	This proposal would substantially expand the ICL pilot program by offering it to additional needy students. The repayment of income-contingent loans is tied to the borrower's income.
	O.....	-70	-6	573	598	598	598	
Department of Labor:								
Worker Adjustment Assistance.....	BA.....		980	980	980	980	980	This proposal would replace several two assistance programs with one program that provides job search assistance and training to all dislocated workers without regard to the reason for their unemployment. Service levels would be tripled.
	O.....		490	980	980	980	980	
Department of Transportation:								
Federal Aviation Administration.....	BA.....	4,800	5,803	5,944	5,930	5,760	5,657	This proposal would (1) increase modernization of the air traffic control system, (2) provide for more air traffic controllers and aviation inspectors, and (3) restructure airport grants with an increased emphasis on safety and capacity.
	O.....	4,650	5,251	5,430	5,627	5,656	5,742	

*The table is supplied to meet the requirements of section 221 (a) of the Legislative Reorganization Act of 1970 (Public Law 91-510). The economic assumptions used to prepare these estimates are shown in Part 3a of this volume. These estimates do not reflect the effects of experience gained in operating the programs or reductions in the costs of other programs that might come about if the proposals were adopted. Since the assumptions upon which these estimates are based may change, they do not represent a commitment to specific funding levels in future years.

Table 16. CONTROLLABILITY OF OUTLAYS, 1986-88

(In billions of dollars)

	1986 actual	1987 estimate	1988 estimate
Relatively uncontrollable under present law:			
Open-ended programs and fixed costs:			
Payments for individuals:			
Social security and railroad retirement	199.9	208.9	220.4
On-budget	(2.5)	(2.8)	(2.9)
Off-budget	(197.4)	(206.1)	(217.5)
Federal employees' retirement and insurance	52.9	55.8	57.8
Unemployment assistance	16.3	16.6	16.4
Medical care	97.8	101.6	111.4
Assistance to students	4.5	3.4	3.7
Food and nutrition assistance	3.8	4.2	4.5
Public assistance and related programs	24.5	25.8	28.2
All other relatively uncontrollable payments for individuals	2.9	2.9	2.9
Subtotal, payments for individuals	402.6	419.3	445.3
Net interest	136.0	137.5	139.2
On-budget	(140.3)	(142.5)	(145.8)
Off-budget	(-4.3)	(-5.1)	(-6.6)
General revenue sharing	5.1	.1	
Farm price supports (CCC)	25.8	25.3	21.0
Other open-ended programs and fixed costs	-5.4	3.7	-5.2
Total, open-ended programs and fixed costs	564.1	585.8	600.3
Outlays from prior-year contracts and obligations: ¹			
National defense	107.8	113.9	117.1
Civilian programs	73.5	71.3	76.1
Total, outlays from prior-year contracts and obligations	181.3	185.2	193.2
Total, relatively uncontrollable outlays	745.4	771.0	793.4
Relatively controllable outlays:			
National defense	165.4	168.1	180.1
Civilian programs	107.3	107.7	88.0
Administrative expenses of relatively uncontrollable payments for individuals	(8.1)	(8.4)	(8.7)
On-budget	(5.8)	(6.0)	(6.2)
Off-budget	(2.2)	(2.4)	(2.5)
Other	(99.2)	(99.3)	(79.3)
Total, relatively controllable outlays	272.7	275.8	268.1
Undistributed employer share, employee retirement	27.2	31.3	37.2
On-budget	(-25.4)	(-28.0)	(-32.0)
Off-budget	(-2.9)	(-3.3)	(-5.2)
Total outlays	989.8	1,015.6	1,024.3

Table 16. CONTROLLABILITY OF OUTLAYS, 1986-88—Continued

(In billions of dollars)

	1986 actual	1987 estimate	1988 estimate
MEMORANDUM—Percent of total outlays			
Relatively uncontrollable under present law:			
Open-ended programs and fixed costs:			
Payments for individuals	40.7	41.3	43.5
Other	16.3	16.4	15.1
Total open-ended programs and fixed costs	55.0	57.7	48.6
Outlays from prior-year contracts and obligations	18.2	18.5	18.9
Total relatively uncontrollable outlays	75.3	75.9	77.5
Relatively controllable outlays	27.6	27.2	26.2
Undistributed employer share, employee retirement	-2.9	-3.1	-3.6
Total outlays	100.0	100.0	100.0

¹ Excluding prior year contracts and obligations for activities shown as "open-ended programs and fixed costs."

Table 17. RECEIPTS BY SOURCE, 1978-88
(In millions of dollars)

Source	Actual										Estimate	
	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	
Individual income taxes.....	180,988	217,841	244,069	285,917	297,744	288,938	298,415	334,531	348,959	364,002	392,821	
Corporation income taxes.....	99,952	65,677	64,600	61,137	49,207	37,022	56,893	61,331	63,143	104,761	117,207	
Social insurance taxes and contributions (trust funds):												
Employment taxes and contributions:												
Old-age and survivors insurance (off-budget).....	73,141	83,410	96,581	117,757	122,840	128,972	150,312	169,822	182,518	195,241	220,913	
Disability insurance (off-budget).....	12,250	14,584	16,628	12,418	20,626	18,348	15,763	16,348	17,711	18,777	21,185	
Hospital insurance.....	16,668	19,874	23,217	30,340	34,301	35,641	40,262	44,871	51,335	55,811	61,652	
Railroad retirement.....	1,822	2,190	2,323	2,457	2,917	2,805	3,321	3,605	3,498	3,419	3,688	
Total employment taxes and contributions.....	103,881	120,058	138,748	162,973	180,686	185,766	209,658	234,646	255,062	273,248	307,438	
Unemployment insurance.....	13,850	15,387	15,336	15,763	16,600	18,799	25,138	25,758	24,098	23,781	22,246	
Other retirement contributions:												
Federal employees' retirement—employee contributions.....	3,174	3,428	3,660	3,908	4,140	4,351	4,494	4,672	4,645	4,332	3,394	
Contributions for non-Federal employees.....	62	66	59	76	72	78	86	87	96	99	106	
Total other retirement contributions.....	3,237	3,494	3,719	3,984	4,212	4,429	4,580	4,759	4,742	4,431	3,500	
Total social insurance taxes and contributions.....	120,967	138,939	157,803	182,720	201,498	208,994	239,376	265,163	283,901	301,460	333,184	
Excise taxes:												
Federal funds:												
Alcohol.....	5,492	5,531	5,601	5,606	5,382	5,557	5,315	5,562	5,828	5,910	5,886	
Tobacco.....	2,444	2,492	2,443	2,581	2,537	4,136	4,660	4,779	4,589	4,787	4,557	
Windfall profit tax ¹			6,934	23,252	18,407	12,135	8,906	6,348	2,251	—30	
Other.....	2,118	1,785	585	2,689	2,344	2,258	3,398	2,408	3,385	3,444	1,785	

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Total Federal fund excise taxes	10,054	9,808	15,563	34,128	28,670	24,086	22,279	19,097	16,053	14,111	12,228
Trust funds:											
Highway	6,904	7,189	6,620	6,305	6,744	8,297	11,743	13,015	13,363	13,651	15,063
Airport and airway	1,326	1,526	1,874	21	133	2,165	2,499	2,851	2,736	3,126	3,450
Other	92	222	272	385	765	753	827	1,027	767	1,714	2,664
Total trust fund excise taxes	8,323	8,937	8,766	6,711	7,642	11,214	15,082	16,894	16,866	18,491	21,178
Total excise taxes	18,376	18,745	24,329	40,839	36,311	35,300	37,361	35,992	32,919	32,602	33,406
Estate and gift taxes	5,285	5,411	6,389	6,787	7,991	6,053	6,010	6,422	6,958	5,998	5,817
Custom duties	6,753	7,439	7,174	8,083	8,854	8,655	11,370	12,079	13,327	14,445	15,274
Miscellaneous receipts:											
Deposit of earnings by Federal Reserve System	6,641	8,327	11,767	12,834	15,186	14,492	15,684	17,059	18,374	15,822	15,450
Other miscellaneous receipts	778	925	981	956	975	1,108	1,347	1,480	1,510	3,300	3,413
Total miscellaneous receipts ²	7,420	9,252	12,748	13,790	16,161	15,601	17,031	18,539	19,884	19,122	18,863
Total receipts	399,561	463,302	517,112	599,272	617,766	600,562	666,457	734,057	769,091	842,390	916,571
On-budget	(314,169)	(365,309)	(403,903)	(489,097)	(474,299)	(453,242)	(500,382)	(547,886)	(588,862)	(628,372)	(674,473)
Off-budget	(85,391)	(97,994)	(113,209)	(130,176)	(143,467)	(147,320)	(166,075)	(186,171)	(200,228)	(214,018)	(242,098)
MEMORANDUM											
On-budget:											
Federal funds	270,440	316,366	350,856	410,422	409,253	382,432	420,370	459,488	473,484	526,091	569,040
Trust funds	76,873	85,983	94,679	106,037	122,111	147,290	157,521	197,514	206,933	215,149	232,537
Interfund transactions	-33,194	-37,041	-41,632	-47,362	-57,065	-76,480	-77,509	-109,116	-111,555	-112,868	-127,104
Total on-budget	314,169	365,309	403,903	469,097	474,299	453,242	500,382	547,886	568,862	628,372	674,473
Off-budget (trust funds)	85,391	97,994	113,209	130,176	143,467	147,320	166,075	186,171	(200,228)	(214,018)	(242,098)
Total	399,561	463,302	517,112	599,272	617,766	600,562	666,457	734,057	769,091	842,390	916,571

¹ Net of refunds.² Includes both Federal and trust funds.

Table 18. OUTLAYS BY FUNCTION AND SUBFUNCTION, 1978-88

(In millions of dollars)

Function	Actual							Estimate			
	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
050 NATIONAL DEFENSE:											
051 Department of Defense—Military:											
Military personnel.....	35,553	37,345	40,897	47,941	55,170	60,886	64,158	67,842	71,511	70,808	75,677
Operation and maintenance.....	33,578	36,424	44,770	51,864	59,674	64,915	67,369	72,348	75,259	76,714	81,368
Procurement.....	19,976	25,404	29,021	35,191	43,271	53,624	61,879	70,381	76,517	82,695	82,798
Research, development, test, and evaluation.....	10,508	11,152	13,127	15,278	17,729	20,554	23,117	27,103	32,283	34,178	38,266
Military construction.....	1,932	2,080	2,450	2,458	2,922	3,524	3,706	4,260	5,067	4,952	5,186
Family housing.....	1,405	1,468	1,680	1,721	1,993	2,126	2,413	2,648	2,819	2,767	3,012
Other ¹	—602	—201	—969	—614	—18	—1,198	—1,801	794	1,455	4,374	.....
051 Subtotal, Department of Defense—Military.....	102,348	113,672	130,976	153,838	180,741	204,430	220,840	245,371	265,636	274,200	289,300
053 Atomic energy defense activities.....	2,070	2,541	2,878	3,398	4,309	5,171	6,120	7,098	7,445	7,440	7,817
054 Defense-related activities.....	76	129	142	277	259	301	453	279	294	606	433
TOTAL, 050 NATIONAL DEFENSE.....	104,495	116,342	133,995	157,513	185,309	209,903	227,413	252,748	273,375	282,246	297,550
150 INTERNATIONAL AFFAIRS:											
151 International development and humanitarian assistance.....	2,647	2,910	3,626	4,131	3,772	3,955	4,478	5,409	4,968	4,355	4,899
152 International security assistance.....	3,926	3,655	4,763	5,095	5,416	6,613	7,924	9,391	10,499	8,570	7,695
153 Conduct of foreign affairs.....	1,128	1,310	1,366	1,346	1,630	1,766	1,882	2,054	2,280	2,733	2,987
154 Foreign information and exchange activities.....	423	465	534	525	571	602	682	793	907	1,032	1,114
155 International financial programs.....	—642	—881	2,425	2,007	911	—1,089	910	—1,471	—4,501	—2,083	—1,486
TOTAL, 150 INTERNATIONAL AFFAIRS.....	7,482	7,459	12,714	13,104	12,300	11,848	15,876	16,176	14,152	14,607	15,209

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250 GENERAL SCIENCE, SPACE, AND TECHNOLOGY:	251 General science and basic research.....	1,160	1,298	1,381	1,477	1,607	1,644	1,849	2,019	2,221	2,268	2,588
	252 Space flight.....	2,260	2,217	2,594	3,053	3,543	4,053	4,028	3,989	3,794	4,308	5,569
	253 Space science, applications, and technology.....	972	1,153	1,346	1,384	1,457	1,486	1,687	1,858	2,127	2,172	2,250
	254 Supporting space activities.....	534	567	512	555	593	751	754	761	835	774	1,031
	TOTAL, 250 GENERAL SCIENCE, SPACE, AND TECHNOLOGY.....	4,926	5,235	5,832	6,469	7,200	7,935	8,317	8,627	8,976	9,523	11,439
270 ENERGY:	271 Energy supply.....	6,075	7,165	8,367	10,202	8,263	6,143	3,252	2,615	2,839	1,940	2,065
	272 Energy conservation.....	221	252	569	730	516	477	527	491	515	440	153
	273 Emergency energy preparedness.....	897	1,021	342	3,280	3,877	1,855	2,518	1,838	597	733	448
	274 Energy information, policy, and regulation.....	798	742	878	955	871	878	790	740	785	675	678
	TOTAL, 270 ENERGY.....	7,992	9,180	10,156	15,166	13,527	9,353	7,086	5,685	4,735	3,787	3,344
300 NATURAL RESOURCES AND ENVIRONMENT:	301 Water resources.....	3,431	3,853	4,223	4,132	3,948	3,904	4,070	4,122	4,041	4,178	4,099
	302 Conservation and land management.....	1,029	821	1,043	1,191	1,084	1,503	1,302	1,481	1,388	1,598	2,474
	303 Recreational resources.....	1,408	1,487	1,677	1,597	1,435	1,454	1,581	1,621	1,513	1,633	1,362
	304 Pollution control and abatement.....	3,965	4,707	5,510	5,170	5,012	4,263	4,044	4,465	4,831	4,541	4,603
	306 Other natural resources.....	1,151	1,266	1,405	1,478	1,519	1,548	1,595	1,668	1,866	1,907	1,703
TOTAL, 300 NATURAL RESOURCES AND ENVIRONMENT.....	10,983	12,135	13,858	13,568	12,998	12,672	12,593	13,357	13,639	13,857	14,241	
350 AGRICULTURE:	351 Farm income stabilization.....	10,228	9,895	7,441	9,783	14,344	21,323	11,877	23,751	29,608	29,163	24,524
	352 Agricultural research and services.....	1,129	1,340	1,398	1,540	1,599	1,578	1,736	1,813	1,841	1,921	1,809
	TOTAL, 350 AGRICULTURE.....	11,357	11,236	8,839	11,323	15,944	22,901	13,613	25,565	31,449	31,084	26,333

Table 18. OUTLAYS BY FUNCTION AND SUBFUNCTION, 1978-88—Continued
(In millions of dollars)

Function	Actual							Estimate			
	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
370 COMMERCE AND HOUSING CREDIT:											
371 Mortgage credit and deposit insurance.....	3,570	2,253	5,602	4,696	4,016	3,880	3,766	871	1,899	5,515	-2,013
372 Postal Service.....	1,282	896	1,246	1,432	154	1,111	1,239	1,351	758	1,781	3,045
376 Other advancement of commerce.....	1,402	1,537	2,542	2,078	2,085	1,690	1,913	2,007	1,790	2,004	1,501
TOTAL, 370 COMMERCE AND HOUSING CREDIT.....	6,254	4,686	9,390	8,206	6,256	6,681	6,917	4,229	4,448	9,300	2,533
400 TRANSPORTATION:											
401 Ground transportation.....	10,431	12,115	15,274	17,074	14,321	14,265	16,158	17,606	18,725	17,866	16,581
402 Air transportation.....	3,243	3,355	3,723	3,814	3,526	4,000	4,415	4,895	5,287	5,304	5,935
403 Water transportation.....	1,787	1,969	2,229	2,381	2,687	2,969	3,010	3,201	3,964	3,717	2,871
407 Other transportation.....	61	93	104	110	90	99	85	137	140	130	136
TOTAL, 400 TRANSPORTATION.....	15,521	17,532	21,329	23,379	20,625	21,334	23,669	25,838	28,117	27,017	25,523
450 COMMUNITY AND REGIONAL DEVELOPMENT:											
OPMENT:											
451 Community development.....	3,298	4,000	4,907	5,070	4,608	4,353	4,520	4,598	4,095	4,254	3,661
452 Area and regional development.....	5,672	4,868	4,303	3,818	3,841	3,208	3,034	3,117	2,723	1,937	1,791
453 Disaster relief and insurance.....	2,871	1,611	2,043	1,680	-102	-1	119	-35	416	-24	11
TOTAL, 450 COMMUNITY AND REGIONAL DEVELOPMENT.....	11,841	10,480	11,252	10,568	8,347	7,560	7,673	7,680	7,233	6,167	5,463
500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES:											
501 Elementary, secondary, and vocational education.....	5,186	6,123	6,908	7,157	6,780	6,294	6,520	7,633	7,832	7,618	7,755
502 Higher education.....	3,721	5,058	6,726	8,866	7,206	7,231	7,383	8,211	8,415	7,519	5,535
503 Research and general education aids.....	1,022	1,131	1,197	997	1,041	1,055	1,210	1,121	1,164	1,398	1,251

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504 Training and employment.....	10,784	10,833	10,345	9,241	5,464	5,295	4,644	4,972	5,257	5,001	5,201
505 Other labor services.....	410	488	551	587	589	599	639	678	672	730	802
506 Social services.....	5,588	6,592	6,116	6,861	5,950	6,133	7,185	6,728	7,246	7,543	7,885
TOTAL, 500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES.....	26,710	30,223	31,843	33,709	27,029	26,606	27,579	29,342	30,585	29,808	28,429
550 HEALTH:											
551 Health care services.....	13,928	15,988	18,003	21,205	21,786	23,008	24,522	26,984	28,850	32,040	31,453
552 Health research.....	2,822	3,023	3,442	3,836	3,948	3,973	4,379	4,908	5,393	5,925	6,158
553 Education and training of health care work force.....	930	583	719	779	670	578	388	468	529	455	350
554 Consumer and occupational health and safety.....	844	899	1,006	1,047	1,041	1,081	1,129	1,182	1,165	1,245	903
TOTAL, 550 HEALTH.....	18,524	20,494	23,169	26,866	27,445	28,641	30,417	33,542	35,936	39,665	38,865
570 MEDICARE.....	22,768	26,495	32,090	39,149	46,567	52,588	57,540	65,822	70,164	71,614	73,032
600 INCOME SECURITY:											
601 General retirement and disability insurance (excluding social security).....	3,365	4,373	5,083	5,439	5,571	5,581	5,441	5,617	5,330	5,543	5,396
602 Federal employee retirement and disability.....	19,836	22,658	26,594	31,277	34,325	36,507	38,054	38,591	41,363	43,551	42,905
603 Unemployment compensation.....	11,767	10,741	18,023	19,656	23,728	31,464	18,421	17,475	17,753	17,983	17,677
604 Housing assistance.....	3,677	4,367	5,632	7,752	8,738	9,998	11,270	25,263	12,383	12,944	13,392
605 Food and nutrition assistance.....	8,926	10,787	14,016	16,205	15,581	17,952	18,055	18,540	18,602	19,362	18,638
609 Other income security.....	13,917	13,433	17,191	19,394	19,774	21,096	21,427	22,715	24,364	25,522	26,776
TOTAL, 600 INCOME SECURITY.....	61,488	66,359	86,540	99,723	107,717	122,598	112,668	128,200	119,796	124,905	124,784
650 SOCIAL SECURITY:											
On-budget.....	93,861	104,073	118,547	139,584	155,964	170,724	178,223	188,623	198,757	207,865	219,388
Off-budget.....	(741)	(757)	(675)	(670)	(844)	(19,993)	(7,056)	(5,189)	(8,072)	(5,008)	(4,882)
TOTAL, 650 SOCIAL SECURITY.....	(93,120)	(103,316)	117,872	(139,914)	(155,120)	(150,731)	(171,167)	(183,434)	(190,684)	(202,857)	(214,506)
700 VETERANS BENEFITS AND SERVICES:											
701 Income security for veterans.....	9,745	10,780	11,688	12,909	13,710	14,250	14,400	14,714	15,031	15,079	15,248

Table 18. OUTLAYS BY FUNCTION AND SUBFUNCTION, 1978-88—Continued
(In millions of dollars)

Function	Actual							Estimate			
	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
702 Veterans education, training and rehabilitation.....	3,365	2,760	2,342	2,254	1,947	1,625	1,359	1,059	526	372	537
703 Hospital and medical care for veterans.....	5,254	5,611	6,515	6,965	7,517	8,272	8,861	9,547	9,872	10,257	10,499
704 Veterans housing.....	28	154	-23	201	102	3	244	214	114	131	-13
705 Other veterans benefits and services.....	585	627	665	662	682	696	751	758	813	841	888
TOTAL, 700 VETERANS BENEFITS AND SERVICES.....	18,978	19,931	21,185	22,991	23,958	24,846	25,614	26,291	26,356	26,679	27,160
750 ADMINISTRATION OF JUSTICE:											
751 Federal law enforcement activities.....	1,831	1,992	2,237	2,437	2,529	2,887	3,205	3,526	3,632	4,636	5,150
752 Federal litigative and judicial activities.....	943	1,130	1,347	1,491	1,517	1,627	1,825	2,064	2,176	2,559	2,698
753 Federal correctional activities.....	307	337	342	361	364	418	494	537	614	755	936
754 Criminal justice assistance.....	729	710	656	473	294	167	136	150	181	344	387
TOTAL, 750 ADMINISTRATION OF JUSTICE.....	3,810	4,169	4,582	4,762	4,703	5,099	5,660	6,277	6,603	8,293	9,170
800 GENERAL GOVERNMENT:											
801 Legislative functions.....	909	921	1,038	1,041	1,181	1,196	1,319	1,355	1,383	1,666	1,824
802 Executive direction and management.....	73	81	97	100	96	96	97	113	109	116	128
803 Central fiscal operations.....	2,001	2,174	2,614	2,616	2,593	3,053	3,254	3,485	3,605	4,470	5,290
804 General property and records management.....	304	299	327	144	238	196	201	96	475	29	-161
805 Central personnel management.....	129	127	154	159	136	115	139	164	126	147	144
806 Other general government.....	448	523	569	745	504	768	557	521	482	862	746
809 Deductions for offsetting receipts.....	-289	-198	-351	-222	-216	-636	-513	-506	-78	-450	-442
TOTAL, 800 GENERAL GOVERNMENT.....	3,576	3,928	4,448	4,582	4,532	4,789	5,053	5,228	6,102	6,840	7,528

Table 19. FEDERAL FINANCES AND THE GROSS NATIONAL PRODUCT, 1969-90
(Dollar amounts in billions)

Fiscal year	Gross national product	Receipts						Outlays					
		Total			On-budget			Total			On-budget		
		Amount	Percent of GNP		Amount	Percent of GNP		Amount	Percent of GNP		Amount	Percent of GNP	
1969	929.5	186.9	20.1	157.9	17.0	29.0	3.1	183.6	19.8	158.4	17.0	25.2	2.7
1970	990.2	192.8	19.5	159.3	16.1	33.5	3.4	195.6	19.8	168.0	17.0	27.6	2.8
1971	1,055.9	187.1	17.7	151.3	14.3	35.8	3.4	210.2	19.9	177.3	16.8	32.8	3.1
1972	1,153.1	207.3	18.0	167.4	14.5	39.9	3.5	230.7	20.0	193.8	16.8	36.9	3.2
1973	1,281.4	230.8	18.0	184.7	14.4	46.1	3.6	245.7	19.2	200.1	15.6	45.6	3.6
1974	1,416.5	263.2	18.6	209.3	14.8	53.9	3.8	269.4	19.0	217.3	15.3	52.1	3.7
1975	1,522.5	279.1	18.3	216.6	14.2	62.5	4.1	332.3	21.8	271.9	17.9	60.4	4.0
1976	1,698.2	298.1	17.6	231.7	13.6	66.4	3.9	371.8	21.9	302.2	17.8	69.6	4.1
1977	1,933.0	355.6	18.4	278.7	14.4	76.8	4.0	409.2	21.2	328.5	17.0	80.7	4.2
1978	2,171.8	399.6	18.4	314.2	14.5	85.4	3.9	458.7	21.1	369.1	17.0	89.7	4.1
1979	2,447.8	463.3	18.9	365.3	14.9	98.0	4.0	503.5	20.6	403.5	16.5	100.0	4.1
1980	2,670.6	517.1	19.4	403.9	15.1	113.2	4.2	590.9	22.1	476.6	17.8	114.3	4.3
1981	2,986.4	599.3	20.1	469.1	15.7	130.2	4.4	678.2	22.7	543.0	18.2	135.2	4.5
1982	3,139.1	617.8	19.7	474.3	15.1	143.5	4.6	745.7	23.8	594.3	18.9	151.4	4.8
1983	3,321.9	600.6	18.1	453.2	13.6	147.3	4.4	808.3	24.3	661.2	19.9	147.1	4.4
1984	3,686.8	666.5	18.1	500.4	13.6	166.1	4.5	851.8	23.1	686.0	18.6	165.8	4.5
1985	3,937.2	734.1	18.6	547.9	13.9	186.2	4.7	946.3	24.0	769.5	19.5	176.8	4.5
1986	4,163.3	769.1	18.5	568.9	13.7	200.2	4.8	989.8	23.8	806.3	19.4	183.5	4.4
1987 estimate	4,418.9	842.4	19.1	628.4	14.2	214.0	4.8	1,015.6	23.0	821.1	18.6	194.5	4.4
1988 estimate	4,731.2	916.6	19.4	674.5	14.3	242.1	5.1	1,024.3	21.6	821.9	17.4	202.4	4.3
1989 estimate	5,076.0	976.2	19.2	712.8	14.0	263.4	5.2	1,069.0	21.1	857.3	16.9	211.7	4.2
1990 estimate	5,434.2	1,048.3	19.3	761.6	14.0	286.6	5.3	1,107.8	20.4	885.4	16.3	222.4	4.1

Table 20. COMPOSITION OF RECEIPTS AND OUTLAYS IN CURRENT PRICES: 1971-90
(In billions of dollars)

Fiscal year	Receipts	Outlays						Surplus or deficit (—)		
		Total	National defense	Nondefense						
				Total nondefense	Payments for individuals	All other grants ¹	Net interest		Other	Undistrib-uted onsetting receipts
1971.....	187.1	210.2	78.9	131.3	80.4	17.7	14.8	28.5	—10.1	—23.0
1972.....	207.3	230.7	79.2	151.5	92.9	20.6	15.5	32.2	—9.6	—23.4
1973.....	230.8	245.7	76.7	169.0	104.5	28.1	17.3	32.5	—13.4	—14.9
1974.....	263.2	269.4	79.3	190.0	120.1	28.7	21.4	36.5	—16.7	—6.1
1975.....	279.1	332.3	86.5	245.8	153.5	33.3	23.2	49.4	—13.6	—53.2
1976.....	298.1	371.8	89.6	282.2	180.1	39.4	26.7	50.4	—14.4	—73.7
1977.....	355.6	409.2	97.2	312.0	196.3	46.1	29.9	54.5	—14.9	—53.6
1978.....	399.6	458.7	104.5	354.2	211.0	53.7	35.4	69.9	—15.7	—59.2
1979.....	463.3	503.5	116.3	387.1	232.9	55.9	42.6	73.2	—17.5	—40.2
1980.....	517.1	590.9	134.0	456.9	277.5	59.4	52.5	87.4	—19.9	—73.8
1981.....	599.3	678.2	157.5	520.7	323.4	57.8	68.7	98.8	—28.0	—78.9
1982.....	617.8	745.7	185.3	560.4	356.7	50.3	85.0	94.5	—26.1	—127.9
1983.....	600.6	808.3	209.9	598.4	395.3	50.8	89.8	96.5	—34.0	—207.8
1984.....	666.5	851.8	227.4	624.4	399.8	53.2	111.1	92.3	—32.0	—185.3
1985.....	734.1	946.3	252.7	693.6	425.6	57.6	129.4	113.7	—32.8	—212.3
1986.....	769.1	989.8	273.4	716.4	448.0	60.8	136.0	104.7	—33.0	—220.7
1987 estimate.....	842.4	1,015.6	282.2	733.3	465.3	55.5	137.5	112.2	—37.1	—173.2
1988 estimate.....	916.6	1,024.3	297.6	726.8	481.0	53.2	139.0	98.9	—45.4	—107.8
1989 estimate.....	976.2	1,069.0	312.2	756.8	509.5	53.2	141.5	98.3	—45.8	—92.8
1990 estimate.....	1,048.3	1,107.8	330.0	777.8	538.1	51.6	139.0	97.7	—48.5	—59.5

¹ Grants to State and local governments excluding those for payments for individuals.
Note: Excludes transition quarter.

Table 21. COMPOSITION OF RECEIPTS AND OUTLAYS IN CONSTANT (FISCAL YEAR 1982) PRICES: 1971-90
(in billions of dollars)

Fiscal year	Receipts	Outlays							Surplus or deficit (-)	
		Total	National defense	Nondefense						
				Total nondefense	Payments for individuals	All other grants ¹	Net interest	Other		Undistrib- uted offsetting receipts
1971.....	453.6	509.4	202.7	306.7	181.0	43.3	34.0	75.8	-27.3	-55.8
1972.....	474.2	527.6	190.9	336.7	200.1	47.4	33.6	79.7	-24.1	-53.5
1973.....	495.5	527.5	175.1	352.4	215.7	60.5	35.9	68.4	-28.1	-32.0
1974.....	516.6	528.7	163.3	365.3	228.3	56.8	41.1	71.9	-32.8	-12.0
1975.....	592.1	586.0	159.8	426.2	265.8	58.5	40.4	84.9	-23.4	-93.9
1976.....	488.9	609.8	153.6	456.2	291.7	64.3	43.0	80.1	-22.9	-120.9
1977.....	541.0	622.6	154.3	468.3	295.5	70.1	44.6	79.9	-21.7	-81.6
1978.....	568.0	652.2	155.0	497.1	296.8	75.7	49.4	97.0	-21.7	-84.1
1979.....	607.5	660.2	159.1	501.0	301.6	71.8	54.7	95.9	-22.9	-52.7
1980.....	611.7	699.1	164.0	535.1	324.7	68.4	62.0	103.8	-23.8	-87.3
1981.....	642.0	726.5	171.4	555.2	344.3	61.3	73.7	106.0	-30.1	-84.6
1982.....	617.8	745.7	185.3	560.4	356.7	50.3	85.0	94.5	-26.1	-127.9
1983.....	576.9	776.5	201.3	575.1	378.6	48.8	86.1	95.0	-33.4	-199.6
1984.....	618.1	789.9	211.5	578.4	368.6	49.2	102.6	88.5	-30.5	-171.9
1985.....	657.8	848.0	228.7	619.3	379.3	50.7	115.6	103.3	-29.5	-190.2
1986.....	673.0	866.2	242.1	624.1	389.4	51.5	117.9	94.6	-29.4	-193.2
1987 estimate.....	715.2	862.3	242.6	619.7	392.2	45.7	115.6	98.4	-32.2	-147.0
1988 estimate.....	751.0	839.3	246.9	592.5	391.6	42.2	113.0	84.1	-38.4	-88.3
1989 estimate.....	773.1	846.6	250.2	596.4	400.8	40.8	111.1	80.8	-37.1	-73.5
1990 estimate.....	803.0	848.6	256.0	592.6	409.6	38.2	105.6	77.8	-38.5	-45.6

¹ Grants to State and local governments excluding those for payments for individuals.
Note: Excludes transition quarter.

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Table 22. TOTAL RECEIPTS AND OUTLAYS, 1789-1992 (in millions of dollars)

Fiscal year	Receipts	Outlays	Surplus or deficit (—)	Fiscal year	Receipts	Outlays	Surplus or deficit (—)
1789-1849 ...	1,160	1,090	+ 70	1947.....	38,514	34,496	+ 4,018
1850-1900 ...	14,462	15,453	- 991	1948.....	41,560	29,764	+ 11,796
1901.....	588	525	+ 63	1949.....	39,415	38,835	+ 580
1902.....	562	485	+ 77	1950.....	39,443	42,562	- 3,119
1903.....	562	517	+ 45	1951.....	51,616	45,514	+ 6,102
1904.....	541	584	- 43	1952.....	66,167	67,686	- 1,519
1905.....	544	567	- 23	1953.....	69,608	76,101	- 6,493
1906.....	595	570	+ 25	1954.....	69,701	70,855	- 1,154
1907.....	666	579	+ 87	1955.....	65,451	68,444	- 2,993
1908.....	602	659	- 57	1956.....	74,587	70,640	+ 3,947
1909.....	604	694	- 89	1957.....	79,990	76,578	+ 3,412
1910.....	676	694	- 18	1958.....	79,636	82,405	- 2,769
1911.....	702	691	+ 11	1959.....	79,249	92,098	- 12,849
1912.....	693	690	+ 3	1960.....	92,492	92,191	+ 301
1913.....	714	715	- *	1961.....	94,388	97,723	- 3,335
1914.....	725	726	- *	1962.....	99,676	106,821	- 7,146
1915.....	683	746	- 63	1963.....	106,560	111,316	- 4,756
1916.....	761	713	+ 48	1964.....	112,613	118,528	- 5,915
1917.....	1,101	1,954	- 853	1965.....	116,817	118,228	- 1,411
1918.....	3,645	12,677	- 9,032	1966.....	130,835	134,532	- 3,698
1919.....	5,130	18,493	- 13,363	1967.....	148,822	157,464	- 8,643
1920.....	6,649	6,358	+ 291	1968.....	152,973	178,134	- 25,161
1921.....	5,571	5,062	+ 509	1969.....	186,882	183,640	+ 3,242
1922.....	4,026	3,289	+ 736	1970.....	192,807	195,649	- 2,842
1923.....	3,853	3,140	+ 713	1971.....	187,139	210,172	- 23,033
1924.....	3,871	2,908	+ 963	1972.....	207,309	230,681	- 23,373
1925.....	3,641	2,924	+ 717	1973.....	230,799	245,707	- 14,908
1926.....	3,795	2,930	+ 865	1974.....	263,224	269,359	- 6,135
1927.....	4,013	2,857	+ 1,155	1975.....	279,090	332,332	- 53,242
1928.....	3,900	2,961	+ 939	1976.....	298,060	371,779	- 73,719
1929.....	3,862	3,127	+ 734	TQ.....	81,232	95,973	- 14,741
1930.....	4,058	3,320	+ 738	1977.....	355,559	409,203	- 53,644
1931.....	3,116	3,577	- 462	1978.....	399,561	458,729	- 59,168
1932.....	1,924	4,659	- 2,735	1979.....	463,302	503,464	- 40,162
1933.....	1,997	4,598	- 2,602	1980.....	517,112	590,920	- 73,808
1934.....	2,955	6,541	- 3,586	1981.....	599,272	678,209	- 78,936
1935.....	3,609	6,412	- 2,803	1982.....	617,766	745,706	- 127,940
1936.....	3,923	8,228	- 4,304	1983.....	600,562	808,327	- 207,764
1937.....	5,387	7,580	- 2,193	1984.....	666,457	851,781	- 185,324
1938.....	6,751	6,840	- 89	1985.....	734,057	946,316	- 212,260
1939.....	6,295	9,141	- 2,846	1986.....	769,091	989,815	- 220,725
1940.....	6,548	9,468	- 2,920	1987 est.....	842,390	1,015,572	- 173,182
1941.....	8,712	13,653	- 4,941	1988 est.....	916,571	1,024,328	- 107,756
1942.....	14,634	35,137	- 20,503	1989 est.....	976,197	1,068,963	- 92,766
1943.....	24,001	78,555	- 54,554	1990 est.....	1,048,295	1,107,795	- 59,501
1944.....	43,747	91,304	- 47,557	1991 est.....	1,123,155	1,144,445	- 21,290
1945.....	45,159	92,712	- 47,553	1992 est.....	1,191,208	1,178,942	12,267
1946.....	39,296	55,232	- 15,936				

*500 thousand or less.

Data for 1789-1933 are for the administrative budget; data for 1934 and all following years are for the unified budget.

Beginning in 1937, includes amounts for social security trust funds that are off-budget. See table 23 for details.

In calendar year 1976, the Federal fiscal year was converted from a July 1-June 30 basis to an Oct. 1-Sept. 30 basis. The TQ refers to the transition quarter from July 1 to Sept. 30, 1976.

Table 23. ON-BUDGET AND OFF-BUDGET RECEIPTS AND OUTLAYS, 1937-1992

(In millions of dollars)

Fiscal year	On-budget			Fiscal year	Off-budget		
	Receipts	Outlays	Surplus or deficit (—)		Receipts	Outlays	Surplus or deficit (—)
1937	5,122	7,582	—2,460	1937	265	—2	+267
1938	6,364	6,850	—486	1938	387	—10	+397
1939	5,792	9,154	—3,362	1939	503	—13	+516
1940	5,998	9,482	—3,484	1940	550	—14	+564
1941	8,024	13,618	—5,594	1941	688	35	+653
1942	13,738	35,071	—21,333	1942	896	66	+830
1943	22,871	78,466	—55,595	1943	1,130	89	+1,041
1944	42,455	91,190	—48,735	1944	1,292	114	+1,178
1945	43,849	92,569	—48,720	1945	1,310	143	+1,167
1946	38,057	55,022	—16,964	1946	1,238	210	+1,028
1947	37,055	34,193	+2,861	1947	1,459	303	+1,157
1948	39,944	29,396	+10,548	1948	1,616	368	+1,248
1949	37,724	38,408	—684	1949	1,690	427	+1,263
1950	37,336	42,038	—4,702	1950	2,106	524	+1,583
1951	48,496	44,237	+4,259	1951	3,120	1,277	+1,843
1952	62,573	65,956	—3,383	1952	3,594	1,730	+1,864
1953	65,511	73,771	—8,259	1953	4,097	2,330	+1,766
1954	65,112	67,943	—2,831	1954	4,589	2,912	+1,677
1955	60,370	64,461	—4,091	1955	5,081	3,983	+1,098
1956	68,162	65,668	+2,494	1956	6,425	4,972	+1,452
1957	73,201	70,562	+2,639	1957	6,789	6,016	+773
1958	71,587	74,902	—3,315	1958	8,049	7,503	+546
1959	70,953	83,102	—12,149	1959	8,296	8,996	—700
1960	81,851	81,341	+510	1960	10,641	10,850	—209
1961	82,279	86,046	—3,766	1961	12,109	11,677	+431
1962	87,405	93,286	—5,881	1962	12,271	13,535	—1,265
1963	92,385	96,352	—3,966	1963	14,175	14,964	—789
1964	96,248	102,794	—6,546	1964	16,366	15,734	+632
1965	100,094	101,699	—1,605	1965	16,723	16,529	+194
1966	111,749	114,817	—3,068	1966	19,085	19,715	—630
1967	124,420	137,040	—12,620	1967	24,401	20,424	+3,978
1968	128,056	155,798	—27,742	1968	24,917	22,336	+2,581
1969	157,928	158,436	—507	1969	28,953	25,204	+3,749
1970	159,348	168,042	—8,694	1970	33,459	27,607	+5,852
1971	151,294	177,346	—26,052	1971	35,845	32,826	+3,019
1972	167,402	193,824	—26,423	1972	39,907	36,857	+3,050
1973	184,715	200,118	—15,403	1973	46,084	45,589	+495
1974	209,299	217,270	—7,971	1974	53,925	52,089	+1,836
1975	216,633	271,892	—55,260	1975	62,458	60,440	+2,018
1976	231,671	302,170	—70,499	1976	66,389	69,609	—3,220
TQ	63,216	76,552	—13,336	TQ	18,016	19,421	—1,405
1977	278,741	328,487	—49,745	1977	76,817	80,716	—3,899
1978	314,169	369,072	—54,902	1978	85,391	89,657	—4,266
1979	365,309	403,486	—38,178	1979	97,994	99,978	—1,984
1980	403,903	476,591	—72,689	1980	113,209	114,329	—1,120
1981	469,097	543,013	—73,916	1981	130,176	135,196	—5,020

Table 23. ON-BUDGET AND OFF-BUDGET RECEIPTS AND OUTLAYS, 1937-1992—Continued

(In millions of dollars)

Fiscal year	On-budget			Fiscal year	Off-budget		
	Receipts	Outlays	Surplus or deficit (—)		Receipts	Outlays	Surplus or deficit (—)
1982	474,299	594,302	—120,003	1982	143,467	151,404	—7,937
1983	453,242	661,219	—207,977	1983	147,320	147,108	+212
1984	500,382	685,968	—185,586	1984	166,075	165,813	+262
1985	547,886	769,509	—221,623	1985	186,171	176,807	+9,363
1986	568,862	806,318	—237,455	1986	200,228	183,498	+16,731
1987 est	628,372	821,074	—192,702	1987 est	214,018	194,498	+19,520
1988 est	674,473	821,900	—147,427	1988 est	242,098	202,427	+39,671
1989 est	712,792	857,284	—144,491	1989 est	263,405	211,679	+51,726
1990 est	761,645	885,399	—123,755	1990 est	286,650	222,396	+64,254
1991 est	815,411	911,113	—95,701	1991 est	307,744	233,333	+74,411
1992 est	865,949	935,063	—69,114	1992 est	325,259	243,879	+81,380

Data for all years for the unified budget. Transactions of the social security trust funds are presented off-budget for all years. In calendar year 1976, the Federal fiscal year was converted from a July 1-June 30 basis to an Oct. 1-Sept. 30 basis. The TQ refers to the transition quarter from July 1 to Sept. 30, 1976.

DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY

Federal Funds

General and special funds:

PRODUCTION, PROCESSING AND MARKETING

OFFICE OF THE SECRETARY

For necessary expenses of the Office of the Secretary of Agriculture, including not to exceed \$75,000 for employment under 5 U.S.C. 3109, **[\$1,623,000] \$5,903,000**: *Provided*, That not to exceed \$8,000 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary.

【OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION】

For necessary expenses of the Office of the Assistant Secretary for Administration to carry out the programs funded in this Act, **\$455,000.**

【OFFICE OF THE ASSISTANT SECRETARY FOR GOVERNMENTAL AND PUBLIC AFFAIRS】

For necessary expenses of the Office of the Assistant Secretary for Governmental and Public Affairs to carry out the programs funded in this Act, **\$318,000.**

【OFFICE OF THE ASSISTANT SECRETARY FOR ECONOMICS】

For necessary expenses of the Office of the Assistant Secretary for Economics to carry out the programs funded in this Act, **\$448,000.**

【OFFICE OF THE ASSISTANT SECRETARY FOR SCIENCE AND EDUCATION】

For necessary salaries and expenses of the Office of the Assistant Secretary for Science and Education to administer the laws enacted by the Congress for the Agricultural Research Service, Cooperative State Research Service, Extension Service, and National Agricultural Library, **\$350,000.**

【OFFICE OF THE ASSISTANT SECRETARY FOR MARKETING AND INSPECTION SERVICES】

For necessary salaries and expenses of the Office of the Assistant Secretary for Marketing and Inspection Services to administer programs under the laws enacted by the Congress for the Animal and Plant Health Inspection Service, Food Safety and Inspection Service, Federal Grain Inspection Service, Agricultural Cooperative Service, Agricultural Marketing Service (including Office of Transportation) and Packers and Stockyards Administration, **\$327,000.**

【OFFICE OF THE UNDER SECRETARY FOR INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS】

For necessary salaries and expenses of the Office of the Under Secretary for International Affairs and Commodity Programs to administer the laws enacted by Congress for the Agricultural Stabilization and Conservation Service, Office of International Cooperation and Development, Foreign Agricultural Service, and the Commodity Credit Corporation, **\$473,000.**

【OFFICE OF THE UNDER SECRETARY FOR SMALL COMMUNITY AND RURAL DEVELOPMENT】

For necessary salaries and expenses of the Office of the Under Secretary for Small Community and Rural Development to administer programs under the laws enacted by the Congress for the Farmers Home Administration, Rural Electrification Administration, Federal Crop Insurance Corporation, and rural development activities of the Department of Agriculture, **\$394,000.**

【OFFICE OF THE ASSISTANT SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT】

For necessary salaries and expenses of the Office of the Assistant Secretary for Natural Resources and Environment to administer the laws enacted by the Congress for the Forest Service and the Soil Conservation Service, **\$363,000.**

【OFFICE OF THE ASSISTANT SECRETARY FOR FOOD AND CONSUMER SERVICES】

For necessary salaries and expenses of the Office of the Assistant Secretary for Food and Consumer Services to administer the laws enacted by the Congress for the Food and Nutrition Service and the Human Nutrition Information Service, **\$330,000.** (7 U.S.C. 2201-2202; Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)

Program and Financing (in thousands of dollars)

Identification code	12-0115-0-1-352	1986 actual	1987 est.	1988 est.
Program by activities:				
Direct program:				
00.01	Office of the Secretary and Deputy Secretary.....	1,654	1,683	1,889
00.02	Administration.....	455	470	528
00.03	Governmental and public affairs.....	316	331	371
00.04	Economics.....	443	461	512
00.05	Science and education.....	342	363	406
00.06	Marketing and inspection services.....	319	340	380
00.07	International affairs and community programs.....	456	489	549
00.08	Small community and rural development.....	404	410	466
00.09	Natural resources and environment.....	358	376	419
00.10	Food and consumer services.....	324	343	383
00.91	Total direct program.....	5,071	5,266	5,903
01.01	Reimbursable program.....	1,112	1,009	936
10.00	Total obligations.....	6,183	6,275	6,839
Financing:				
11.00	Offsetting collections from: Federal funds.....	-1,112	-1,009	-936
25.00	Unobligated balance lapsing.....	303		
39.00	Budget authority.....	5,374	5,266	5,903
Budget authority:				
40.00	Appropriation.....	5,452	5,081	5,903
41.00	Transferred to other accounts.....	-373		
42.00	Transferred from other accounts.....	295		
43.00	Appropriation (adjusted).....	5,374	5,081	5,903
Transfers in for:				
46.20	Civilian pay raises.....		96	
46.40	Retirement contributions (P.L. 99-335).....		89	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	5,071	5,266	5,903
72.10	Receivables in excess of obligations, start of year.....	-418	-906	-902
74.10	Receivables in excess of obligations, end of year.....	906	902	897
77.00	Adjustments in expired accounts.....	133		
89.00	Outlays.....	5,692	5,262	5,898
Outlays:				
90.00	Outlays, excluding pay and retirement supplementals.....	5,692	5,081	5,894
91.20	Outlays from civilian pay raise supplemental.....		94	2
91.40	Outlays from retirement contribution supplemental.....		87	2

The Office of the Secretary covers the overall planning, coordination, and administration of the Department's programs. This includes the Secretary, Deputy Secretary, Under Secretaries, Assistant Secretaries, and their immediate staffs, who provide top policy guidance for the Department; maintain relationships with agricultural organizations and others in the development of farm programs; and provide liaison with the Executive Office of the President and Members of Congress on all matters pertaining to agricultural policy.

General and special funds—Continued

OFFICE OF THE SECRETARY—Continued

【OFFICE OF THE ASSISTANT SECRETARY FOR FOOD AND CONSUMER SERVICES】—Continued

Object Classification (in thousands of dollars)

Identification code	12-0115-0-1-352	1986 actual	1987 est.	1988 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	3,356	3,696	4,132
11.5	Other personnel compensation	47	22	24
11.9	Total personnel compensation	3,403	3,718	4,156
12.1	Personnel benefits: Civilian	392	503	770
21.0	Travel and transportation of persons	141	121	135
22.0	Transportation of things	1	1	2
23.3	Communications, utilities, and miscellaneous charges	529	408	343
24.0	Printing and reproduction	170	144	140
25.0	Other services	334	276	267
26.0	Supplies and materials	87	79	75
31.0	Equipment	14	16	15
99.0	Subtotal, direct obligations	5,071	5,266	5,903
99.0	Reimbursable obligations	1,112	1,009	936
99.9	Total obligations	6,183	6,275	6,839

Personnel Summary

Total number of full-time permanent positions	89	94	93
Total compensable workyears:			
Full-time equivalent employment	89	94	93
Full-time equivalent of overtime and holiday hours	1	4	4

Trust Funds

GIFTS AND BEQUESTS

Program and Financing (in thousands of dollars)

Identification code	12-8203-0-7-352	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 25.0)	—6	135	124
Financing:				
21.40	Unobligated balance available, start of year	—84	—109	—74
24.40	Unobligated balance available, end of year	109	74	51
60.00	Budget authority (appropriation) (permanent, indefinite)	18	101	101
Relation of obligations to outlays:				
71.00	Obligations incurred, net	—6	135	124
72.40	Obligated balance, start of year	88	86	120
74.40	Obligated balance, end of year	—86	—120	—143
90.00	Outlays	—5	101	101

The Secretary is authorized to accept and administer gifts and bequests of real and personal property to facilitate the work of the Department. Property and the proceeds thereof are used in accordance with the terms of the gift or bequest (7 U.S.C. 2269).

DEPARTMENTAL ADMINISTRATION

Federal Funds

General and special funds:

DEPARTMENTAL ADMINISTRATION

(INCLUDING TRANSFERS OF FUNDS)

For Budget and Program Analysis, 【\$3,611,000】 \$4,284,000; for Personnel, Finance and Management, Operations, Information Resources Management, Advocacy and Enterprise, 【and】 Administrative Law Judges and Judicial Officer, 【\$17,616,000】 \$20,845,000, and in addition, for payment of the USDA share of the National Communications System, \$110,000; for identification and assessment of, and

response action to Department of Agriculture hazardous substance sites, except expenses of the Commodity Credit Corporation, \$15,000,000; making a total of 【\$21,227,000】 \$40,239,000 for Departmental Administration to provide for necessary expenses for management support services to offices of the Department of Agriculture and for general administration and emergency preparedness of the Department of Agriculture, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$10,000 is for employment under 5 U.S.C. 3109: *Provided*, That this appropriation shall be reimbursed from applicable appropriations in this Act for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551-558: *Provided further*, That funds made available under this head for hazardous waste management may be transferred to any bureau of the Department for such purposes as required under 42 U.S.C. 9607g and 42 U.S.C. 6969. (7 U.S.C. 2201, 2202, 2231, 2235; 42 U.S.C. 2000d; 42 U.S.C. 6901 et seq., 42 U.S.C. 9601, et seq.; Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)

Program and Financing (in thousands of dollars)

Identification code	12-0120-0-1-352	1986 actual	1987 est.	1988 est.
Program by activities:				
Direct program:				
00.01	Budget and program analysis	3,561	3,763	4,284
00.02	Personnel	2,621	5,002	5,708
00.03	Finance and management	2,534	3,570	3,768
00.04	Operations	2,406	2,426	2,701
00.05	Information resources management	3,883	3,738	4,547
00.06	Advocacy and enterprise	2,387	2,842	3,179
00.07	Administrative law judges and judicial officer	802	885	942
00.08	National communications system			110
00.09	Hazardous waste management			15,000
00.91	Total direct program	18,194	22,226	40,239
01.01	Reimbursable program	10,015	3,829	3,671
10.00	Total obligations	28,209	26,055	43,910
Financing:				
11.00	Offsetting collections from: Federal funds	—10,015	—3,829	—3,671
25.00	Unobligated balance lapsing	156		
39.00	Budget authority	18,350	22,226	40,239
Budget authority:				
40.00	Appropriation	18,191	21,227	40,239
42.00	Transferred from other accounts	159		
43.00	Appropriation (adjusted)	18,350	21,227	40,239
Transfers in for:				
46.20	Civilian pay raises		541	
46.40	Retirement contributions (P.L. 99-335)		458	
Relation of obligations to outlays:				
71.00	Obligations incurred, net	18,194	22,226	40,239
72.40	Obligated balance, start of year	10,741	7,900	7,900
74.40	Obligated balance, end of year	—7,900	—7,900	—7,900
77.00	Adjustments in expired accounts	3,505		
89.00	Outlays	24,540	22,226	40,239
Outlays:				
90.00	Outlays, excluding pay and retirement supplementals	24,540	21,227	40,239
91.20	Outlays from civilian pay raise supplemental		541	
91.40	Outlays from retirement contribution supplemental		458	

Budget and program analysis.—This activity provides direction and administration of the Department's budgetary functions including development, presentation, execution, control, reporting and adjusting fund and manpower resources; evaluates program and legislative proposals for program, budget and related resource implications; develops and maintains a mission-oriented program structure which defines Department missions, goals and objectives for the purpose of establishing

long- and short-range program planning and to aid the Secretary and other departmental and agency officials in making management decisions regarding the Department's programs and resources. The office analyzes program and resource issues and alternatives, and prepares summaries of pertinent data to aid departmental policy officials and agency program managers in the decisionmaking process.

Personnel.—This activity provides general liaison, direction, leadership coordination and monitoring of the personnel management program in the Department. Department policies and procedures relating to all personnel functions are promulgated, and operational services are provided to the Office of the Secretary, Office of the General Counsel, Office of Governmental and Public Affairs, Office of Budget and Program Analysis, and those agencies under Departmental administration reporting to the Assistant Secretary for Administration.

Finance and management.—This activity provides Departmental leadership, development and evaluation of programs in finance, accounting, Federal assistance, occupational safety and health, productivity and management improvements. The Director serves as the Department's finance officer, management improvement officer and comptroller of the Working Capital Fund. Finance and Management also provides budget, accounting and fiscal services for the Departmental staff offices, Office of the General Counsel, Office of Governmental and Public Affairs, and the Office of the Secretary.

Operations.—This activity provides staff and support services in the management of real and personal property, procurement, contracts, supplies, motor vehicles and internal energy conservation to the USDA agencies, including those in the Washington, D.C., complex.

Information resources management.—This activity designs, implements and revises systems, processes, work methods and techniques to improve the management of information resources and the operational effectiveness of USDA. The Director serves as the Department's clearance officer for statistical reporting and information collection. This activity also provides telecommunications and ADP services to USDA agencies and staff offices, including the Washington Computer Center, Fort Collins Computer Center, and Kansas City Computer Center.

Advocacy and enterprise.—This activity provides leadership, direction and coordination for the Department's programs for civil rights, which include program delivery, compliance and equal employment opportunity, and for efforts to further participation of minority colleges and universities in Departmental programs. It provides oversight of all procurement activities to assure maximum participation of small and disadvantaged business in the process and directs and monitors agency compliance in promoting full and open competition in procurement.

Administrative law judges and judicial officer.—The administrative law judges hold hearings on new regulations and orders and on disciplinary complaints filed by the Department or on some petitions filed by private parties. Final administrative decisions in regulatory proceedings are rendered by the Judicial Officer.

National communications system.—This item provides funding for USDA's proportional share of the communications system being developed as part of the National Security and Emergency Preparedness Program. Participation in the NCS is required under National Security Directive 201 of December 1985.

Hazardous waste management.—Under the Comprehensive Environmental Response, Compensation, and Liability Act and the Resource Conservation and Recovery Act the Department has the responsibility to meet the same standards regarding the storage and disposition of hazardous wastes as private businesses. Since the focus of attention on this matter has revealed that the Department may have substantial commitments to meet, a central fund has been established so that resources may be allocated to agencies according to priority based on objective criteria.

Object Classification (in thousands of dollars)

Identification code	12-0120-0-1-352	1986 actual	1987 est.	1988 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	13,386	15,480	16,644
11.3	Other than full-time permanent	150	255	261
11.5	Other personnel compensation	429	292	290
11.9	Total personnel compensation	13,965	16,027	17,195
12.1	Personnel benefits: Civilian	1,484	2,237	3,469
13.0	Benefits for former personnel	29	49	52
21.0	Travel and transportation of persons	201	203	241
22.0	Transportation of things	4	10	10
23.2	Rental payments to others	9	11	12
23.3	Communications, utilities, and miscellaneous charges	655	1,061	1,112
24.0	Printing and reproduction	258	416	401
25.0	Other services	1,101	1,678	17,218
26.0	Supplies and materials	268	314	335
31.0	Equipment	220	153	124
41.0	Grants, subsidies, and contributions		67	70
99.0	Subtotal, direct obligations	18,194	22,226	40,239
99.0	Reimbursable obligations	10,015	3,829	3,671
99.9	Total obligations	28,209	26,055	43,910

Personnel Summary

Total number of full-time permanent positions	513	503	506
Total compensable workyears:			
Full-time equivalent employment	504	516	516
Full-time equivalent of overtime and holiday hours	2	6	6

RENTAL PAYMENTS (USDA)

(INCLUDING TRANSFERS OF FUNDS)

For payment of space rental and related costs pursuant to Public Law 92-313 for programs and activities of the Department of Agriculture which are included in this Act, **[\$48,728,000] \$56,407,000: Provided,** That in the event an agency within the Department of Agriculture should require modification of space needs, the Secretary of Agriculture may transfer a share of that agency's appropriation made available by this Act to this appropriation, or may transfer a share of this appropriation to that agency's appropriation, but such transfers shall not exceed 10 per centum of the funds made available for space rental and related costs to or from this account.

BUILDING OPERATIONS AND MAINTENANCE

For the operation, maintenance, and repair of the Washington, D.C. Agriculture building complex pursuant to the delegation of authority from the Administrator of General Services authorized by 40 U.S.C. 486, **[\$18,039,000] \$18,424,000;** and in addition, for one-time purchase of systems furniture, \$3,245,000. (7 U.S.C. 2201, 2202, 2208; Agricul-

General and special funds—Continued

BUILDING OPERATIONS AND MAINTENANCE—Continued

ture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)

Program and Financing (in thousands of dollars)

Identification code 12-0117-0-1-352	1986 actual	1987 est.	1988 est.
Program by activities:			
Direct program:			
00.01 Rental payments to GSA.....	48,728	48,728	56,407
00.02 Building operations and maintenance.....	16,919	18,239	21,669
00.91 Total direct program.....	65,647	66,967	78,076
01.01 Reimbursable program.....	1,089	1,029	1,029
10.00 Total obligations.....	66,736	67,996	79,105
Financing:			
11.00 Offsetting collections from: Federal funds.....	-1,089	-1,029	-1,029
22.40 Unobligated balance transferred, net.....		-200	
25.00 Unobligated balance lapsing.....	13		
39.00 Budget authority.....	65,660	66,767	78,076
Budget authority:			
40.00 Appropriation.....	67,780	66,767	78,076
41.00 Transferred to other accounts.....	-2,120		
43.00 Appropriation (adjusted).....	65,660	66,767	78,076
Relation of obligations to outlays:			
71.00 Obligations incurred, net.....	65,647	66,967	78,076
72.10 Receivables in excess of obligations, start of year.....	-469	1,751	1,949
74.10 Receivables in excess of obligations, end of year.....	-1,751	-1,949	-1,949
77.00 Adjustments in expired accounts.....	17		
90.00 Outlays.....	63,444	66,769	78,076
Distribution of budget authority by account:			
Building operations and maintenance.....	16,932	18,039	21,669
Rental payments and building operations.....	48,728	48,728	56,407
Distribution of outlays by account:			
Building operations and maintenance.....	14,716	18,041	21,669
Rental payments and building operations.....	48,728	48,728	56,407

This annual account finances the General Services Administration's fees for rental of space and related services. The appropriation covers all fees for all regular appropriated accounts within the Department of Agriculture with the exception of the Forest Service.

This account also finances the operation and maintenance of seven buildings in the Headquarters area. In fiscal year 1985, GSA delegated responsibility for operating and maintaining five office buildings to USDA. The delegation was expanded to include two warehouses in fiscal year 1987.

Object Classification (in thousands of dollars)

Identification code 12-0117-0-1-352	1986 actual	1987 est.	1988 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent.....	1,248	1,856	2,120
11.5 Other personnel compensation.....	107	125	125
11.9 Total personnel compensation.....	1,355	1,981	2,245
12.1 Personnel benefits: Civilian.....	157	370	401
13.0 Benefits for former personnel.....	3	3	3
21.0 Travel and transportation of persons.....	5	4	4
22.0 Transportation of things.....	5		
23.1 Rental payments to GSA.....	48,724	48,728	56,407
23.3 Communications, utilities, and miscellaneous charges.....	3,969	5,083	5,412
24.0 Printing and reproduction.....	9	41	43
25.0 Other services.....	10,950	10,465	10,006
26.0 Supplies and materials.....	147	75	80
31.0 Equipment.....	135	10	3,255
32.0 Land and structures.....	187	207	220

43.0 Interest and dividends.....	1		
99.0 Total, direct obligations.....	65,647	66,967	78,076
99.0 Reimbursable obligations.....	1,089	1,029	1,029
99.9 Total obligations.....	66,736	67,996	79,105

Personnel Summary

Total number of full-time permanent positions.....	41	57	57
Total compensable workyears:			
Full-time equivalent employment.....	41	58	58
Full-time equivalent of overtime and holiday hours.....	2	2	2

ADVISORY COMMITTEES (USDA)

For necessary expenses for activities of Advisory Committees of the Department of Agriculture which are included in this Act, \$1,308,000: *Provided*, That no other funds in this Act shall be available to the Department of Agriculture for support of activities of Advisory Committees. (7 U.S.C. 2233; Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)

Program and Financing (in thousands of dollars)

Identification code 12-0118-0-1-352	1986 actual	1987 est.	1988 est.
Program by activities:			
10.00 Total obligations.....	1,039	1,308	1,308
Financing:			
25.00 Unobligated balance lapsing.....	219		
40.00 Budget authority (appropriation).....	1,258	1,308	1,308
Relation of obligations to outlays:			
71.00 Obligations incurred, net.....	1,039	1,308	1,308
72.40 Obligated balance, start of year.....	404	937	404
74.40 Obligated balance, end of year.....	-404	-404	-404
77.00 Adjustments in expired accounts.....			-533
90.00 Outlays.....	763	1,308	1,308

The Federal Advisory Committee Act (Public Law 92-463) was passed in 1972 to recognize a means by which committees and similar groups provide expert advice to officers of the Federal Government. This account provides for direction and financial support of all authorized Department of Agriculture advisory committee activities other than those included in the Forest Service or financed by other than appropriated funds.

Object Classification (in thousands of dollars)

Identification code 12-0118-0-1-352	1986 actual	1987 est.	1988 est.
11.1 Personnel compensation: Full-time permanent.....	470	464	382
12.1 Personnel benefits: Civilian.....	47	48	42
21.0 Travel and transportation of persons.....	316	498	544
22.0 Transportation of things.....	4	3	4
23.3 Communications, utilities, and miscellaneous charges.....	5	11	13
24.0 Printing and reproduction.....	10	27	35
25.0 Other services.....	178	242	270
26.0 Supplies and materials.....	7	10	11
31.0 Equipment.....	2	5	7
99.9 Total obligations.....	1,039	1,308	1,308

Personnel Summary

Total compensable workyears: Full-time equivalent employment.....	14	14	14
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Intragovernmental funds:

WORKING CAPITAL FUND

An amount of **[\$5,708,000] \$6,000,000** is hereby appropriated to the Departmental Working Capital Fund to increase the Government's equity in this fund and to provide for the purchase of automated data processing, data communication, and other related equipment necessary for the provision of Departmental centralized services to the agencies. (7 U.S.C. 2235; Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)

Program and Financing (in thousands of dollars)

Identification code	12-4609-0-4-352	1986 actual	1987 est.	1988 est.
Program by activities:				
Operating expenses:				
00.01	Supply and other central services	6,029	8,974	9,156
00.02	Reproduction services	2,827	3,540	3,691
00.03	Video and film, photographic, and other visual information services	2,743	2,866	3,005
00.04	National Finance Center	45,695	51,661	52,709
00.05	ADP systems	38,729	49,700	50,872
00.91	Total operating expenses	96,023	116,741	119,433
Purchase of equipment:				
01.01	Supply and other central services	74	239	284
01.02	Reproduction services	46	34	111
01.03	Video and film, photographic and other visual information services	127	134	128
01.04	National Finance Center	3,281	7,057	12,026
01.05	ADP systems	9,355	7,239	4,702
01.91	Total purchase of equipment	12,883	14,703	17,251
10.00	Total obligations	108,906	131,444	136,684
Financing:				
Offsetting collections from:				
11.00	Federal funds	-97,768	-124,957	-129,869
14.00	Non-Federal sources	-630	-779	-815
17.00	Recovery of prior year obligations	-1,672		
21.98	Unobligated balance available, start of year: Fund balance	-8,086	-5,214	-5,214
24.98	Unobligated balance available, end of year: Fund balance	5,214	5,214	5,214
40.00	Budget authority (appropriation)	5,964	5,708	6,000
Relation of obligations to outlays:				
71.00	Obligations incurred, net	10,508	5,708	6,000
72.98	Obligated balance, start of year: Fund balance	2,246	6,558	6,558
74.98	Obligated balance, end of year: Fund balance	-6,558	-6,558	-6,558
77.00	Adjustments in expired accounts	-36		
78.00	Adjustments in unexpired accounts	-1,672		
90.00	Outlays	4,487	5,708	6,000

This fund finances by advances or reimbursements certain central services in the Department of Agriculture, including duplicating and other visual information services, art and graphics, video and film services, supply, centralized accounting systems, centralized automated data processing systems for payroll, personnel, and related services, voucher payments services, and ADP systems. The capital consists of \$400 thousand appropriated (7 U.S.C. 2235), and accumulated earnings of \$1,143 thousand as of September 30, 1986. Earnings are kept at a low level through adjustments in rates charged for services to maintain as nearly as possible the nonprofit nature of the fund. The 1988 budget includes an appropriation request of \$6 million for capital equipment acquisition.

Object Classification (in thousands of dollars)

Identification code	12-4609-0-4-352	1986 actual	1987 est.	1988 est.
Personnel compensation:				
11.1	Full-time permanent	31,258	34,775	34,910
11.3	Other than full-time permanent	1,629	1,763	1,822
11.5	Other personnel compensation	2,342	2,524	2,608
11.9	Total personnel compensation	35,229	39,062	39,340
12.1	Personnel benefits: Civilian	4,551	5,153	5,829
13.0	Benefits for former personnel	105	87	88
21.0	Travel and transportation of persons	518	887	865
22.0	Transportation of things	172	249	215
23.1	Rental payments to GSA	2,733	3,437	3,612
23.2	Rental payments to others	20,326	25,302	23,491
23.3	Communications, utilities, and miscellaneous charges	4,787	5,010	5,122
24.0	Printing and reproduction	1,065	1,156	1,118
25.0	Other services	17,516	22,940	23,266
26.0	Supplies and materials	4,494	5,779	5,461
31.0	Equipment	13,218	15,022	17,557
43.0	Interest and dividends	8		
92.0	Depreciation	4,184	7,360	10,720
99.9	Total obligations	108,906	131,444	136,684

Personnel Summary

Total number of full-time permanent positions	1,326	1,289	1,289
Total compensable workyears:			
Full-time equivalent employment	1,439	1,404	1,404
Full-time equivalent of overtime and holiday hours	58	91	91

OFFICE OF GOVERNMENTAL AND PUBLIC AFFAIRS

Federal Funds

General and special funds:

OFFICE OF GOVERNMENTAL AND PUBLIC AFFAIRS

For necessary expenses to carry on services relating to the coordination of programs involving public affairs, and for the dissemination of agricultural information and the coordination of information, work and programs authorized by Congress in the Department, **[\$7,293,000] \$7,799,000**, of which not to exceed \$10,000 shall be available for employment under 5 U.S.C. 3109, and not to exceed \$2,000,000 may be used for farmers' bulletins [and not fewer than two hundred thirty-two thousand two hundred and fifty copies for the use of the Senate and House of Representatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by 44 U.S.C. 1301]: *Provided*, That in the preparation of motion pictures or exhibits by the Department, this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225).

For necessary expenses for liaison with the Congress on legislative matters, **[\$465,000] \$516,000**.

For necessary expenses for programs involving intergovernmental affairs and liaison within the executive branch, **[\$440,000] \$481,000**. (7 U.S.C. 2201, 2202, 2231, 2235; 42 U.S.C. 2000d; Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)

Program and Financing (in thousands of dollars)

Identification code	12-0130-0-1-352	1986 actual	1987 est.	1988 est.
Program by activities:				
Direct program:				
00.01	Public affairs	6,058	7,505	7,799
00.02	Congressional relations	462	485	516
00.03	Intergovernmental affairs	434	458	481
00.91	Total direct program	6,954	8,448	8,796
01.01	Reimbursable program	1,556	165	56
10.00	Total obligations	8,510	8,613	8,852
Financing:				
11.00	Offsetting collections from: Federal funds	-1,556	-165	-56

General and special funds—Continued

OFFICE OF GOVERNMENTAL AND PUBLIC AFFAIRS—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code	12-0130-0-1-352	1986 actual	1987 est.	1988 est.
25.00	Unobligated balance lapsing	389		
39.00	Budget authority	7,343	8,448	8,796
	Budget authority:			
40.00	Appropriation	7,343	8,198	8,796
	Transfers in for:			
46.20	Civilian pay raises		124	
46.40	Retirement contributions (P.L. 99-335)		126	
	Relation of obligations to outlays:			
71.00	Obligations incurred, net	6,954	8,448	8,796
72.40	Obligated balance, start of year	1,611	1,195	1,356
74.40	Obligated balance, end of year	-1,195	-1,356	-1,363
77.00	Adjustments in expired accounts	115		
89.00	Outlays	7,485	8,287	8,789
	Outlays:			
90.00	Outlays, excluding pay and retirement supplementals	7,485	8,042	8,784
91.20	Outlays from civilian pay raise supplemental		122	2
91.40	Outlays from retirement contribution supplemental		123	3

Public affairs.—This activity provides general direction, leadership, and coordination of the Department's information program. The major objective is to provide a balanced and useful information program that reports on USDA's research, action, and regulatory activities using all communications media in order to enable the general public and the agricultural industry to have a better understanding of agriculture's services to farmers and to society.

Congressional relations.—This activity includes responsibility for maintaining liaison with the Congress and the White House on legislative matters of concern to the Department and for the coordination of all Congressional matters except congressional appropriation.

Intergovernmental affairs.—This activity provides for overall direction and coordination in the development and implementation of policies and procedures applicable to the Department's intra- and intergovernmental relations.

Object Classification (in thousands of dollars)

Identification code	12-0130-0-1-352	1986 actual	1987 est.	1988 est.
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	4,463	5,010	5,360
11.3	Other than full-time permanent	81	76	80
11.5	Other personnel compensation	178	131	140
11.9	Total personnel compensation	4,722	5,217	5,580
12.1	Personnel benefits: Civilian	506	696	1,035
13.0	Benefits for former personnel	4	4	5
21.0	Travel and transportation of persons	66	141	95
22.0	Transportation of things	12	14	15
23.3	Communications, utilities, and miscellaneous charges	480	514	450
24.0	Printing and reproduction	446	826	750
25.0	Other services	514	826	721
26.0	Supplies and materials	105	109	75
31.0	Equipment	99	101	70
99.0	Subtotal, direct obligations	6,954	8,448	8,796
99.0	Reimbursable obligations	1,556	165	56
99.9	Total obligations	8,510	8,613	8,852

Personnel Summary

Total number of full-time permanent positions	141	143	146
Total compensable workyears:			
Full-time equivalent employment	137	139	139
Full-time equivalent of overtime and holiday hours	1	4	4

OFFICE OF THE INSPECTOR GENERAL

Federal Funds

General and special funds:

OFFICE OF THE INSPECTOR GENERAL

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), [\$44,461,000] \$50,418,000, including such sums as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(8) of the Inspector General Act of 1978 (Public Law 95-452), and including a sum not to exceed \$50,000 for employment under 5 U.S.C. 3109; and including a sum not to exceed \$75,000 for certain confidential operational expenses including the payment of informants, to be expended under the direction of the Inspector General pursuant to Public Law 95-452 and section 1337 of Public Law 97-98. (7 U.S.C. 450b, 2201, 2202, 2220, 2270; Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)

Program and Financing (in thousands of dollars)

Identification code	12-0900-0-1-352	1986 actual	1987 est.	1988 est.
	Program by activities:			
00.01	Direct program	42,906	45,882	50,418
01.01	Reimbursable program	902		
10.00	Total obligations	43,808	45,882	50,418
	Financing:			
11.00	Offsetting collections from: Federal funds	-902		
22.40	Unobligated balance transferred, net		-799	
25.00	Unobligated balance lapsing	1,590		
39.00	Budget authority	44,496	45,083	50,418
	Budget authority:			
40.00	Appropriation	28,572	44,461	50,418
42.00	Transferred from other accounts	15,924		
43.00	Appropriation (adjusted)	44,496	44,461	50,418
46.40	Transfer in for retirement contributions (P.L. 99-335)		622	
	Relation of obligations to outlays:			
71.00	Obligations incurred, net	42,906	45,882	50,418
72.40	Obligated balance, start of year	6,055	5,830	5,868
74.40	Obligated balance, end of year	-5,830	-5,868	-5,868
77.00	Adjustments in expired accounts	-78		
89.00	Outlays	43,054	45,844	50,418
	Outlays:			
90.00	Outlays, excluding retirement contribution supplemental	43,054	45,222	50,418
91.40	Outlays from retirement contribution supplemental		622	

The Office keeps the Secretary and the Congress informed about fraud, other serious problems, abuses and deficiencies in Department programs and operations, recommends corrective action, and reports on the progress made in correcting the problems. It reviews existing and proposed legislation and regulations and makes recommendations to the Secretary and Congress regarding the impact these laws have on the Department's programs and the prevention and detection of fraud and abuse in such programs. The Office provides policy direction and conducts, supervises, and coordinates all audits and investigations. The office supervises

and coordinates other activities in the Department and between the Department and other Federal, State and local government agencies whose purposes are to (a) promote economy and efficiency, (b) prevent and detect fraud and abuse, and (c) identify and prosecute people involved in fraud or abuse.

Object Classification (in thousands of dollars)

Identification code	12-0900-0-1-352	1986 actual	1987 est.	1988 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	26,678	28,036	28,540
11.3	Other than full-time permanent	110	170	250
11.5	Other personnel compensation	1,275	838	1,288
11.9	Total personnel compensation	28,063	29,044	30,078
12.1	Personnel benefits: Civilian	3,830	4,643	6,755
13.0	Benefits for former personnel	61	44	44
21.0	Travel and transportation of persons	4,203	5,000	5,400
22.0	Transportation of things	104	197	243
23.2	Rental payments to others	75	80	80
23.3	Communications, utilities, and miscellaneous charges	1,825	1,929	2,324
24.0	Printing and reproduction	59	108	158
25.0	Other services	3,378	3,432	3,716
26.0	Supplies and materials	505	535	650
31.0	Equipment	802	870	970
43.0	Interest and dividends	1		
99.0	Subtotal, direct obligations	42,906	45,882	50,418
99.0	Reimbursable obligations	902		
99.9	Total obligations	43,808	45,882	50,418

Personnel Summary

Total number of full-time permanent positions	860	830	860
Total compensable workyears:			
Full-time equivalent employment	820	850	880
Full-time equivalent of overtime and holiday hours	24	25	

OFFICE OF THE GENERAL COUNSEL

Federal Funds

General and special funds:

OFFICE OF THE GENERAL COUNSEL

For necessary expenses of the Office of the General Counsel, **[\$17,131,000] \$19,903,000.** (7 U.S.C. 2201, 2202, 2214a; *Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

Program and Financing (in thousands of dollars)

Identification code	12-2300-0-1-352	1986 actual	1987 est.	1988 est.
Program by activities:				
00.01	Direct program	15,043	17,745	19,903
01.01	Reimbursable program	1,757	32	
10.00	Total obligations	16,800	17,777	19,903
Financing:				
11.00	Offsetting collections from: Federal funds	-1,757	-32	
25.00	Unobligated balance lapsing	52		
39.00	Budget authority	15,095	17,745	19,903
Budget authority:				
40.00	Appropriation	14,309	17,131	19,903
42.00	Transferred from other accounts	786		
43.00	Appropriation (adjusted)	15,095	17,131	19,903
Transfers in for:				
46.20	Civilian pay raises		375	
46.40	Retirement contributions (P.L. 99-335)		239	
Relation of obligations to outlays:				
71.00	Obligations incurred, net	15,043	17,745	19,903
72.40	Obligated balance, start of year	149	478	656

74.40	Obligated balance, end of year	-478	-656	-856
77.00	Adjustments in expired accounts	145		
89.00	Outlays	14,859	17,567	19,703
Outlays:				
90.00	Outlays, excluding pay and retirement supplementals	14,859	16,953	19,703
91.20	Outlays from civilian pay raise supplemental		375	
91.40	Outlays from retirement contribution supplemental		239	

The Office of the General Counsel of the Department of Agriculture provides all legal advice, counsel and services to the Secretary and all agencies, offices, and corporations of the Department on all aspects of their operations. It represents the Department in administrative proceedings; nonlitigation debt collection proceedings; state water rights adjudications; proceedings before the Environmental Protection Agency, Interstate Commerce Commission, Federal Maritime Administration and International Trade Commission; and, in conjunction with the Department of Justice, in judicial proceedings and litigation. All attorneys and related support personnel of the Department are under the supervision of the General Counsel.

Object Classification (in thousands of dollars)

Identification code	12-2300-0-1-352	1986 actual	1987 est.	1988 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	11,670	13,596	14,690
11.3	Other than full-time permanent	246	252	275
11.5	Other personnel compensation	20	25	25
11.9	Total personnel compensation	11,936	13,873	14,990
12.1	Personnel benefits: Civilian	1,402	1,796	2,696
13.0	Benefits for former employees	3	5	5
21.0	Travel and transportation of persons	180	210	250
22.0	Transportation of things	4	5	30
23.3	Communications, utilities, and miscellaneous charges	737	900	940
24.0	Printing and reproduction	25	28	32
25.0	Other services	363	405	410
26.0	Supplies and materials	374	423	450
31.0	Equipment	18	100	100
43.0	Interest and dividends	1		
99.0	Subtotal, direct obligations	15,043	17,745	19,903
99.0	Reimbursable obligations	1,757	32	
99.9	Total obligations	16,800	17,777	19,903

Personnel Summary

Total number of full-time permanent positions	342	374	397
Total compensable workyears:			
Full-time equivalent employment	347	363	385
Full-time equivalent of overtime and holiday hours	1	3	3

AGRICULTURAL RESEARCH SERVICE

Federal Funds

General and special funds:

AGRICULTURAL RESEARCH SERVICE

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to enable the Agricultural Research Service to perform agricultural research and demonstration relating to production, utilization, marketing, and distribution (not otherwise provided for), home economics or nutrition and consumer use, and for acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed \$100, **[\$497,664,000] \$535,114,000.** *Provided, That appropriations hereunder shall be available for temporary employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$115,000 shall be*

General and special funds—Continued

AGRICULTURAL RESEARCH SERVICE—Continued
(INCLUDING TRANSFERS OF FUNDS)—Continued

available for employment under 5 U.S.C. 3109: *Provided further*, That funds appropriated herein can be used to provide financial assistance to the organizers of national and international conferences, if such conferences are in support of agency programs: *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed one for replacement only: *Provided further*, That uniform allowances for each uniformed employee of the Agricultural Research Service shall not be in excess of \$400 annually: *Provided further*, That of the appropriations hereunder not less than \$10,526,600 shall be available to conduct marketing research: *Provided further*, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided the cost of constructing any one building shall not exceed \$150,000, except for headhouses connecting greenhouses which shall each be limited to \$500,000, and except for ten buildings to be constructed or improved at a cost not to exceed \$275,000 each, and the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building or \$150,000 whichever is greater: *Provided further*, That the limitations on alterations contained in this Act shall not apply to a total of \$250,000 for facilities at Beltsville, Maryland: *Provided further*, That the foregoing limitations shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a): *Provided further*, That the limitation on purchase of land shall not apply to the purchase of land at Fresno, California, or to an option to purchase land at Florence, South Carolina, for a term of not to exceed one year: *Provided further*, That not to exceed \$190,000 of this appropriation may be transferred to and merged with the appropriation for the Office of the Assistant Secretary for Science and Education for the scientific review of international issues involving agricultural chemicals and food additives: *Provided further*, That this appropriation shall be available for transfer of all necessary equipment and germplasm to fully equip the National Small Grains Germplasm Facility in Aberdeen, Idaho].

Special fund: To provide for additional labor, subprofessional, and junior scientific help to be employed under contracts and cooperative agreements to strengthen the work at Federal research installations in the field, \$2,000,000. (7 U.S.C. 328, 427, 427i, 1281 note, 1621, 2201, 2204, 2225, 2250, 3101 note; 10 U.S.C. 2306; 16 U.S.C. 590(a)-590(b), 590(k); 18 U.S.C. 1114; 19 U.S.C. 1306(a), 1306(c); 20 U.S.C. 191-194; 21 U.S.C. 113a, 114c, 114e-131; 42 U.S.C. 1476(e), 1483; *Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

Program and Financing (in thousands of dollars)

Identification code	12-1400-0-1-352	1986 actual	1987 est.	1988 est.
Program by activities:				
Direct program:				
00.01	Research on soil and water conservation.....	59,229	60,067	62,002
00.02	Research on plant productivity.....	183,878	195,094	208,675
00.03	Research on animal productivity.....	87,221	90,993	96,265
00.04	Research on commodity conversion and delivery.....	88,653	102,287	105,601
00.05	Human nutrition research.....	37,511	40,611	41,060
00.06	Integration of agricultural systems.....	7,806	11,655	12,008
00.07	Repair and maintenance of facilities.....	9,256	10,552	10,552
00.08	Contingencies.....	951	951	951
00.09	Construction of facilities.....	10	1,179	.....
00.91	Total direct program.....	474,515	513,389	537,114
01.01	Reimbursable program.....	16,513	20,000	20,000
10.00	Total obligations.....	491,028	533,389	557,114
Financing:				
Offsetting collections from:				
11.00	Federal funds.....	-13,664	-16,573	-16,573
14.00	Non-Federal sources.....	-2,849	-3,427	-3,427
21.40	Unobligated balance available, start of year.....	-1,189	-1,179	.....
24.40	Unobligated balance available, end of year.....	1,179	.....	.....
25.00	Unobligated balance lapsing.....	3,867	.....	.....
39.00	Budget authority.....	478,372	512,210	537,114

Budget authority:				
40.00	Appropriation.....	478,531	499,664	537,114
41.00	Transferred to other accounts.....	-159	.....	.....
43.00	Appropriation (adjusted).....	478,372	499,664	537,114
Transfers in for:				
46.10	Wage-board pay raises.....	.....	512	.....
46.20	Civilian pay raises.....	.....	7,287	.....
46.40	Retirement contributions (P.L. 99-335).....	.....	4,747	.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	474,515	513,389	537,114
72.40	Obligated balance, start of year.....	120,208	110,843	114,519
74.40	Obligated balance, end of year.....	-110,843	-114,519	-120,005
77.00	Adjustments in expired accounts.....	151	.....	.....
89.00	Outlays.....	484,032	509,713	531,628
Outlays:				
90.00	Outlays, excluding pay and retirement supplementals.....	484,032	498,526	530,269
91.10	Outlays from wage-board pay raise supplemental.....	.....	485	27
91.20	Outlays from civilian pay raise supplemental.....	.....	6,904	383
91.40	Outlays from retirement contribution supplemental.....	.....	3,798	949

Note.—Excludes \$430 thousand in 1988 for activities transferred to: Cooperative State Research Service for the office of Grants and Program Systems. Comparable amounts for 1986 (\$341 thousand) and 1987 (\$397 thousand) are included above.

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dollars]				
Enacted/requested:	1986 actual	1987 est.	1988 est.	
Budget authority.....	478,372	512,210	537,114	
Outlays.....	484,032	509,713	531,628	
Proposed for later transmittal under proposed legislation:				
Budget authority.....	.....	.....	-500	
Outlays.....	.....	.....	-500	
Total:				
Budget authority.....	478,372	512,210	536,614	
Outlays.....	484,032	509,713	531,128	

The Agricultural Research Service conducts research to provide the means for a safer, more economical, and more abundant supply of agricultural products for the Nation. The Service uses coordinated, interdisciplinary approaches to perform basic and applied research on soil and water conservation, plant and animal productivity, commodity conversion and delivery, human nutrition, and integrated agricultural systems. The 1988 budget proposes an increase to enhance plant germplasm and for animal productivity research to reduce production costs and improve product quality.

Research on soil and water conservation.—Research is conducted to improve soil and water management, irrigation, and conservation practices; to protect natural resources from harmful effects of soil, air, and water pollutants and to minimize certain agricultural pollution problems; and to determine the relation of soil types and water to plant, animal, and human nutrition.

Research on plant productivity.—Research is conducted to increase plant productivity by improving plant varieties, developing new crop resources, and improving crop production practices, including methods to control plant diseases, nematodes, insects, and weeds. The program increase proposed for 1988 is to enhance the germplasm collection, maintenance and evaluation system.

Research on animal productivity.—Research is conducted to increase livestock productivity (including poultry) through improved breeding, feeding, and management practices, and to develop methods for controlling diseases, parasites, and insect pests affecting these animals. The increase proposed for 1988 is to reduce the

amount of fat in beef, pork, lamb and poultry while retaining the desired quality and quantity of meat.

Research on commodity conversion and delivery.—Research is conducted to develop new and improved foods, feeds, products, and processes for agricultural commodities and to improve the processing, transportation, storage, wholesaling, and retailing of products. Research is also conducted on problems of human health and safety, including means to insure the safety of food and feed supplies, control insect pests of man and his belongings, and reduce the hazards to human life resulting from pesticide residues and other causes.

Human nutrition research.—Research is conducted on subjects as human nutritional requirements and the composition and nutritive value of foods, to promote optimum human health through improved nutrition.

Integration of agricultural systems.—Research is conducted to develop integrated systems for efficiently producing, processing, and marketing agricultural products and to develop alternative agricultural systems that are less dependent upon nonrenewable resources and that are productive, efficient, and sustainable in the long term.

Repair and maintenance of facilities.—Funds are used to restore, upgrade, and maintain Federal facilities to meet OSHA and EPA requirements, provide suitable workspace for in-house research programs, and to retrofit existing structures for better energy utilization.

Contingencies.—Funds available to meet urgent needs that develop unexpectedly during the year when such needs cannot be met by redirection of resources from other projects.

Construction of facilities.—Unobligated balances will be used for this purpose.

Advances and reimbursements.—Agricultural Research Service performs program research activities and services for other USDA, Federal, and non-Federal agencies. These activities and services are paid for on a reimbursable basis.

Object Classification (in thousands of dollars)

Identification code	12-1400-0-1-352	1986 actual	1987 est.	1988 est.
AGRICULTURAL RESEARCH SERVICE				
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	222,694	237,666	241,838
11.3	Other than full-time permanent	12,603	10,558	10,743
11.5	Other personnel compensation	5,205	6,282	6,345
11.9	Total personnel compensation	240,502	254,506	258,926
12.1	Personnel benefits: Civilian	31,498	37,528	52,105
21.0	Travel and transportation of persons	6,479	7,000	7,200
22.0	Transportation of things	1,170	1,224	1,258
23.3	Communications, utilities, and miscellaneous charges	26,818	28,059	28,843
24.0	Printing and reproduction	666	697	717
25.0	Other services	96,454	110,592	113,580
26.0	Supplies and materials	35,011	36,614	37,637
31.0	Equipment	29,372	30,731	31,589
32.0	Lands and structures	2,992	4,310	3,131
41.0	Grants, subsidies, and contributions	3,187	1,759	1,759
99.0	Subtotal, direct obligations	474,149	513,020	536,745
99.0	Reimbursable obligations	16,513	20,000	20,000
ALLOCATION TO FOREST SERVICE				
Personnel compensation:				
11.1	Full-time permanent	1	1	1

11.3	Other than full-time permanent	13	13	13
11.9	Total personnel compensation	14	14	14
12.1	Personnel benefits: Civilian	1	1	1
21.0	Travel and transportation of persons	4	4	4
25.0	Other services	319	322	322
26.0	Supplies and materials	19	19	19
31.0	Equipment	9	9	9
99.0	Subtotal obligations, Forest Service	366	369	369
99.9	Total obligations	491,028	533,389	557,114

Personnel Summary

Direct:				
Total number of full-time permanent positions	6,996	7,117	7,117	
Total compensable workyears:				
Full-time equivalent employment	7,966	8,067	8,067	
Full-time equivalent of overtime and holiday hours	53	53	53	
Reimbursable:				
Total number of full-time permanent positions	138	138	138	
Total compensable workyears: Full-time equivalent employment	138	138	138	

AGRICULTURAL RESEARCH SERVICE

(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identification code	12-1400-2-1-352	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 25.0)			— 500
Financing:				
40.00	Budget authority (appropriation)			— 500
Relation of obligations to outlays:				
71.00	Obligations incurred, net			— 500
90.00	Outlays			— 500

The proposed legislation would provide for collection of fees to cover the cost of distributing germplasm to commercial, profitmaking and other entities and is estimated to generate as much as \$500 thousand in revenues to the Federal Government.

BUILDINGS AND FACILITIES*

(INCLUDING TRANSFERS OF FUNDS)

*See Part II for additional information.

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities and for grants to States and other eligible recipients for such purposes, as necessary to carry out the agricultural research, extension and teaching programs of the Department of Agriculture, where not otherwise provided, **[\$37,400,000] \$1,000,000, to remain available until expended: Provided,** That these funds may be transferred to such other accounts in this Act as may be appropriate to carry out these purposes: **Provided further,** That facilities to house Bonsai collections at the National Arboretum may be constructed with funds accepted under the provisions of Public Law 94-129 (20 U.S.C. 195) and the limitation on construction contained in the Act of August 24, 1912 (40 U.S.C. 68) shall not apply to the construction of such facilities. (*Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

Program and Financing (in thousands of dollars)

Identification code	12-1401-0-1-352	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 32.0)	54,943	64,394	8,852
Financing:				
21.40	Unobligated balance available, start of year	— 83,747	— 34,846	— 7,852
24.40	Unobligated balance available, end of year	34,846	7,852	
40.00	Budget authority (appropriation)	6,041	37,400	1,000

General and special funds—Continued

BUILDINGS AND FACILITIES—Continued
(INCLUDING TRANSFERS OF FUNDS)—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code	12-1401-0-1-352	1986 actual	1987 est.	1988 est.
Relation of obligations to outlays:				
71.00	Obligations incurred, net	54,943	64,394	8,852
72.40	Obligated balance, start of year	12,552	53,638	74,627
74.40	Obligated balance, end of year	-53,638	-74,627	-22,039
90.00	Outlays	13,857	43,405	61,440

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

Enacted/requested:	1986 actual	1987 est.	1988 est.
Budget authority	6,041	37,400	1,000
Outlays	13,857	43,405	61,440
Rescission proposal:			
Budget authority		-28,000	
Outlays		-11,000	-17,000
Total:			
Budget authority	6,041	9,400	1,000
Outlays	13,857	32,405	44,440

This account provides funds for acquisition of land, construction, repair, improvement, extension, alterations, and purchases of fixed equipment or facilities of or used by the Agricultural Research Service. The 1988 request of \$1,000,000 is for planning the National seed storage laboratory, Fort Collins, Colorado.

Trust Funds

MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing (in thousands of dollars)

Identification code	12-8214-0-7-352	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations	3,189	5,000	5,000
Financing:				
21.40	Unobligated balance available, start of year	-1,039	-2,699	-2,699
24.40	Unobligated balance available, end of year	2,699	2,699	2,699
60.00	Budget authority (appropriation) (permanent, indefinite)	4,849	5,000	5,000
Relation of obligations to outlays:				
71.00	Obligations incurred, net	3,189	5,000	5,000
72.40	Obligated balance, start of year	179	691	691
74.40	Obligated balance, end of year	-691	-691	-691
90.00	Outlays	2,676	5,000	5,000

Miscellaneous contributed funds received from States, local organizations, individuals, and others are available for work under cooperative agreements on research activities.

Object Classification (in thousands of dollars)

Identification code	12-8214-0-7-352	1986 actual	1987 est.	1988 est.
Personnel compensation:				
11.1	Full-time permanent	360	960	960
11.3	Other than full-time permanent	271	288	288
11.5	Other personnel compensation	14	26	26
11.9	Total personnel compensation	645	1,274	1,274
12.1	Personnel benefits: Civilian	37	188	256
21.0	Travel and transportation of persons	119	171	171
23.3	Communications, utilities, and miscellaneous charges	10	14	14
24.0	Printing and reproduction	1	1	1

25.0	Other services	1,701	2,383	2,315
26.0	Supplies and materials	521	747	747
31.0	Equipment	155	222	222
99.9	Total obligations	3,189	5,000	5,000

Personnel Summary

Total number of full-time permanent positions	20	40	40
Total compensable workyears: Full-time equivalent employment	20	40	40

COOPERATIVE STATE RESEARCH SERVICE

Federal Funds

General and special funds:

COOPERATIVE STATE RESEARCH SERVICE

For payments to agricultural experiment stations, for cooperative forestry and other research, for facilities, and for other expenses, including **[\$148,792,000]** \$155,545,000 to carry into effect the provisions of the Hatch Act approved March 2, 1887, as amended by the Act approved August 11, 1955 (7 U.S.C. 361a-361i), and further amended by Public Law 92-318 approved June 23, 1972, and further amended by Public Law 93-471 approved October 26, 1974, including administration by the United States Department of Agriculture, and penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended, and payments under section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.); **[\$12,412,000]** \$12,975,000 for grants for cooperative forestry research under the Act approved October 10, 1962 (16 U.S.C. 582a-582a-7), as amended by Public Law 92-318 approved June 23, 1972, including administrative expenses, and payments under section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.); **[\$22,320,000]** \$23,333,000 for payments to the 1890 land-grant colleges, including Tuskegee University, for research under section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (Public Law 95-113), as amended, including administration by the United States Department of Agriculture, and penalty mail costs of the 1890 land-grant colleges, including Tuskegee University; **[\$28,037,000]** for contracts and grants for agricultural research under the Act of August 4, 1965, as amended (7 U.S.C. 450i); **[\$40,651,000]** \$44,500,000 for competitive research grants, including administrative expenses; **[\$5,476,000]** for the support of animal health and disease programs authorized by section 1433 of Public Law 95-113, including administrative expenses; \$20,368,000 for grants for research and for construction of facilities to conduct research pursuant to the Critical Agricultural Materials Act of 1984 (7 U.S.C. 178) and section 1472 of the Food and Agriculture Act of 1977, as amended (7 U.S.C. 3318), to remain available until expended; \$475,000 for rangeland research grants as authorized by subtitle M of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended; \$9,508,000 for grants to upgrade 1890 land-grant college research facilities as authorized by section 1433 of Public Law 97-98, as amended, to remain available until expended; **[\$4,754,000]** \$2,000,000 for higher education [strengthening] grants under section 1417(a) of Public Law 95-113, as amended (7 U.S.C. 3152(a)); **[\$3,000,000]** for grants as authorized by section 1475 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977; \$2,000,000 for grants as authorized by section 1411 of Public Law 99-198, to remain available until expended; and **[\$2,630,000]** \$1,917,000 for necessary expenses of Cooperative State Research Service activities, including coordination and program leadership for higher education work of the Department, administration of payments pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$100,000 for employment under 5 U.S.C. 3109; in all, **[\$300,573,000]** \$240,270,000: *Provided, That no funds shall be available in fiscal year 1988 for payments under the Act of August 30, 1890 and the tenth and eleventh paragraphs under the heading "Emergency Appropriations" of the Act of March 4, 1907 (7 U.S.C. 321 et seq.). (7 U.S.C. 450b, 2201-02, 2220, 2250a; 39 U.S.C. 3202(a)(4), 3206(b); 42 U.S.C. 1891-1893; Public Law 95-113; Public Law 95-547; Public Law 95-592; Public Law 96-294; Public Law 97-98; Public Law 98-284; Public Law 99-198; Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)*

Program and Financing (in thousands of dollars)

Identification code	12-1500-0-1-352	1986 actual	1987 est.	1988 est.
Program by activities:				
Direct program:				
00.01	Payments under the Hatch Act.....	148,251	148,792	155,545
00.02	Cooperative forestry research.....	12,412	12,412	12,975
00.03	Payments to 1890 colleges and Tuskegee University ...	22,320	22,320	23,333
00.04	Special research grants.....	30,207	52,030	.....
00.05	Competitive research grants.....	42,312	40,651	44,500
00.06	Animal health and disease research.....	5,476	5,476	.....
00.07	Federal administration.....	1,565	2,630	1,917
00.08	1890 research facilities.....	9,508	9,508	.....
00.09	Higher education.....	7,554	7,554	2,000
00.10	Forestry competitive grants.....	6,506	4,500	.....
00.11	Research facilities.....	.....	2,000	.....
00.91	Total direct program.....	286,111	307,873	240,270
01.01	Reimbursable program.....	8,853	4,800	4,800
10.00	Total obligations.....	294,964	312,673	245,070
Financing:				
11.00	Offsetting collections from: Federal funds.....	-8,853	-4,800	-4,800
21.40	Unobligated balance available, start of year.....	-1,200	.....	.....
25.00	Unobligated balance lapsing.....	541	.....	.....
39.00	Budget authority.....	285,452	307,873	240,270
Budget authority:				
Current:				
40.00	Appropriation.....	276,146	300,573	240,270
42.00	Transferred from other accounts.....	6,506	4,500	.....
43.00	Appropriation (adjusted).....	282,652	305,073	240,270
Permanent:				
60.00	Appropriation.....	2,800	2,800	.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	286,111	307,873	240,270
72.40	Obligated balance, start of year.....	164,409	189,766	212,364
74.40	Obligated balance, end of year.....	-189,766	-212,364	-153,724
77.00	Adjustments in expired accounts.....	-485	.....	.....
90.00	Outlays.....	260,269	285,275	298,910

Note.—Includes \$680 thousand in 1988 for activities of the Office of Grants and Program Systems previously financed from:

(In thousands of dollars)

	1986	1987
Agricultural Research Service.....	341	397
Extension Service.....	193	253
National Agricultural Library.....	7	9

Cooperative State Research Service participates in a nationwide system of agricultural research program planning and coordination between the State institutions and the U.S. Department of Agriculture. It assists in maintaining cooperation among the State institutions, and between the State institutions and their Federal research partners. The Agency administers grants and payments to State institutions to supplement State and local funding for agricultural research and higher education.

Payments under the Hatch Act.—Funds under the Hatch Act are allocated on a formula basis to agricultural experiment stations of the land-grant colleges in the 50 States, District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, Micronesia, and Northern Marianas.

Cooperative forestry research.—These funds are allocated by formula to land-grant colleges or agricultural experiment stations in the 50 States, Puerto Rico, Guam, the Virgin Islands, and other State-supported colleges and universities having a forestry school and offering graduate training in forestry sciences.

Payments to 1890 colleges and Tuskegee University.—Funds support agricultural research at the 1890 land-grant colleges, including Tuskegee University.

Special research grants.—These grants are targeted to localized problems. No funding is proposed in 1988.

Competitive research grants.—Research scientists throughout the U.S. scientific community compete for funding under this program. These grants support basic research in biotechnology, plant and animal science, pest science, and human nutrition.

Animal health and disease research.—Funds, distributed by formula, support livestock and poultry disease research in colleges of veterinary medicine and in eligible agricultural experiment stations. No funding is proposed in 1988.

Federal administration.—A coordinating and review staff assists in maintaining cooperation within and among the States, and between the States and their Federal research partners. This staff also administers research grants and payments to States. Federal administration is funded from a combination of program set-asides from formula and grant programs and from direct appropriation for administration.

1890 research facilities.—Funds support the purchase of land and the construction, alteration or renovation of buildings necessary for the conduct of food and agricultural research at colleges eligible to receive funds under the second Morrill Act of 1890, including Tuskegee University. No funding is proposed in 1988.

Higher education.—Funding is proposed for Strengthening Grants to support resident instruction at the 1890 colleges, the Tuskegee University, and the University of the District of Columbia. The Morrill-Nelson and graduate training grants programs receive no funding in 1988.

Forestry competitive grants.—This program emphasizes basic research in the areas of harvesting, wood utilization and forest biology. No funding is proposed in 1988.

Research facilities.—Funds support the construction, acquisition, equipping and remodeling of research facilities at the State agricultural experiment stations and other eligible institutions. No funding is proposed in 1988.

Reimbursable program.—Funds support basic and applied agriculture research and activities performed for other USDA, Federal, and non-Federal agencies.

Object Classification (in thousands of dollars)

Identification code	12-1500-0-1-352	1986 actual	1987 est.	1988 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent.....	4,194	4,596	4,625
11.3	Other than full-time permanent.....	185	236	238
11.5	Other personnel compensation.....	114	146	146
11.9	Total personnel compensation.....	4,493	4,978	5,009
12.1	Personnel benefits: Civilian.....	531	685	980
13.0	Benefits for former personnel.....	4	4	4
21.0	Travel and transportation of persons.....	653	704	1,079
22.0	Transportation of things.....	36	32	33
23.3	Communications, utilities, and miscellaneous charges...	885	778	341
24.0	Printing and reproduction.....	138	168	174
25.0	Other services.....	2,927	2,650	1,347
26.0	Supplies and materials.....	241	144	149
31.0	Equipment.....	323	156	161
41.0	Grants, subsidies, and contributions.....	275,880	297,574	230,993
99.0	Subtotal, direct obligations.....	286,111	307,873	240,270

General and special funds—Continued

COOPERATIVE STATE RESEARCH SERVICE—Continued

Object Classification (in thousands of dollars)—Continued

Identification code	12-1500-0-1-352	1986 actual	1987 est.	1988 est.
99.0	Reimbursable obligations	8,853	4,800	4,800
99.9	Total obligations	294,964	312,673	245,070

Personnel Summary

Direct:				
Total number of full-time permanent positions	148	158	158	
Total compensable workyears:				
Full-time equivalent employment	130	146	146	
Full-time equivalent of overtime and holiday hours	1	1	1	
Reimbursable:				
Total number of full-time permanent positions	8	8	8	
Total compensable workyears: Full-time equivalent employment	8	8	8	

EXTENSION SERVICE

Federal Funds

General and special funds:

EXTENSION SERVICE

(INCLUDING TRANSFERS OF FUNDS)

Payments to States, Puerto Rico, Guam, the Virgin Islands, Micronesia, *Northern Marianas* and American Samoa: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953, the Act of August 11, 1955, the Act of October 5, 1962 (7 U.S.C. 341-349), section 506 of the Act of June 23, 1972, and the Act of September 29, 1977 (7 U.S.C. 341-349), as amended, and section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.), to be distributed under sections 3(b) and 3(c) of said Act, for retirement and employees' compensation costs for extension agents and for costs of penalty mail for cooperative extension agents and State extension directors, [\$229,713,000] \$237,594,000; [payments for the nutrition and family education program for low-income areas under section 3(d) of the Act, \$57,635,000, of which \$38,627,000 shall be derived by transfer from the appropriation "Food Stamp Program" and merged with this appropriation; payments for the urban gardening program under section 3(d) of the Act, \$3,329,000; payments for the pest management program under section 3(d) of the Act, \$7,164,000; payments for the farm safety program under section 3(d) of the Act, \$970,000; payments for the pesticide impact assessment program under section 3(d) of the Act, \$1,633,000; payments for a financial management assistance program under section 3(d) of the Act and section 1440 of Public Law 99-198, \$3,277,000; payments for an integrated reproductive management program under section 3(d) of the Act, \$47,000; payments for the rural development centers under section 3(d) of the Act, \$689,000;] payments for extension work under section 209(c) of Public Law 93-471, [\$935,000] \$970,000; [payments for carrying out the provisions of the Renewable Resource Extension Act of 1978, \$2,378,000; for special grants for financially stressed farmers and dislocated farmers as authorized by section 1440 of Public Law 99-198, \$1,500,000;] and payments for extension work by the colleges receiving the benefits of the second Morrill Act (7 U.S.C. 321-326, 328) and Tuskegee University, [\$16,877,000] \$18,291,000; in all, [\$326,147,000;] \$256,855,000: [of which not less than \$79,400,000 is for Home Economics:] *Provided*, That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, and section 506 of the Act of June 23, 1972, as amended, shall not be paid to any State, Puerto Rico, Guam, or the Virgin Islands, Micronesia, *Northern Marianas* and American Samoa prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

Federal administration and coordination: For administration of the Smith-Lever Act, as amended by the Act of June 26, 1953, the Act of August 11, 1955, the Act of October 5, 1962, section 506 of the Act of June 23, 1972, section 209(d) of Public Law 93-471, and the Act of September 29, 1977 (7 U.S.C. 341-349), as amended, and section 1361(c) of the Act, of October 3, 1980 (7 U.S.C. 301n.), and to coordinate and provide program leadership for the extension work of the Department and the several States and insular possessions,

[\$6,025,000;] \$5,732,000 [of which not less than \$2,300,000 is for Home Economics]. (*Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

Program and Financing (in thousands of dollars)

Identification code	12-0502-0-1-352	1986 actual	1987 est.	1988 est.
Program by activities:				
Direct program:				
00.01	Smith-Lever Act, 3(b) and 3(c)	229,710	229,713	237,594
	Smith-Lever Act, 3(d):			
00.02	Food and nutrition education (EFNEP)	57,635	57,635	
00.03	Pest management	7,164	7,164	
00.04	Farm safety	970	970	
00.05	Pesticide impact assessment	1,633	1,633	
00.06	Urban gardening	3,329	3,329	
00.07	Financial management	1,427	3,277	
00.07	Integrated reproductive management	47	47	
00.07	Rural development centers	689	689	
00.08	Payments to the District of Columbia	935	935	970
00.09	Payments to 1890 colleges and Tuskegee University ..	16,877	16,877	18,291
00.10	Section 1440 grants		1,500	
00.11	Renewable Resources Extension Act	2,378	2,378	
00.12	Federal administration	5,192	6,025	5,732
00.91	Total direct program	327,986	332,172	262,587
01.01	Reimbursable program	6,925	6,700	6,700
10.00	Total obligations	334,911	338,872	269,287
Financing:				
Offsetting collections from:				
11.00	Federal funds	-6,468	-6,205	-6,205
14.00	Non-Federal sources	-457	-495	-495
25.00	Unobligated balance lapsing	23		
39.00	Budget authority	328,009	332,172	262,587
Budget authority:				
40.00	Appropriation	289,382	293,545	262,587
42.00	Transferred from other accounts	38,627	38,627	
43.00	Appropriation (adjusted)	328,009	332,172	262,587
Relation of obligations to outlays:				
71.00	Obligations incurred, net	327,986	332,172	262,587
72.40	Obligated balance, start of year	71,802	57,349	58,019
74.40	Obligated balance, end of year	-57,349	-58,019	-46,816
77.00	Adjustments in expired accounts	-2,483		
90.00	Outlays	339,956	331,502	273,790

Note.—Excludes \$240 thousand in 1988 for activities transferred to Cooperative State Research Service for the Office of Grants and Program Systems. Comparable amounts for 1986 (\$193 thousand) and 1987 (\$253 thousand) are included above.

The Federal Extension Service, States, and localities comprise the Cooperative Extension System. This nationwide system provides out-of-school, applied education in agriculture, home economics, community development, and 4-H youth programs.

Federal funds are distributed primarily by formula to States, Puerto Rico, Guam, the Virgin Islands, Micronesia, Northern Marianas and American Samoa, primarily on the basis of population. Funds are used primarily for the employment of State, area, and county extension workers and paraprofessionals who work with individuals, families, community organizations, marketing concerns, and others by providing advice and assistance in the application of improved methods for production, marketing, nutrition, family living, and community development. Work with youth is accomplished largely through the 4-H program. Most of these funds are matched by the States and provide the Federal share of State retirement and penalty mail costs associated with program activities specifically undertaken with these matched funds.

In fiscal year 1988 formula support to land-grant institutions, including maintenance of operations at the 1890 institutions, Tuskegee University, and the District of Columbia is proposed. All earmarked programs are proposed for elimination.

The Extension Service provides leadership and assistance to States, Puerto Rico, Guam, the Virgin Islands, the District of Columbia, American Samoa, Northern Marianas and Micronesia, in developing extension programs, improving teaching methods, efficient use of available resources, evaluation of programs, and administrative services. These responsibilities are funded from a combination of program set-asides for administering payments to States and from direct appropriations for the Federal Extension Administration.

Object Classification (in thousands of dollars)

Identification code	12-0502-0-1-352	1986 actual	1987 est.	1988 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	6,706	6,952	6,462
11.3	Other than full-time permanent	65	82	82
11.5	Other personnel compensation	33	35	35
11.9	Total personnel compensation	6,804	7,069	6,579
12.1	Personnel benefits: Civilian	788	818	1,155
13.0	Benefits for former personnel			294
21.0	Travel and transportation of persons	661	650	600
22.0	Transportation of things	94	100	89
23.3	Communications, utilities, and miscellaneous charges	545	550	510
24.0	Printing and reproduction	411	415	380
25.0	Other services	1,724	1,725	1,535
26.0	Supplies and materials	197	200	180
31.0	Equipment	199	200	178
41.0	Grants, subsidies, and contributions	316,563	320,445	251,087
99.0	Subtotal, direct obligations	327,986	332,172	262,587
99.0	Reimbursable obligations	6,925	6,700	6,700
99.9	Total obligations	334,911	338,872	269,287

Personnel Summary

Total number of full-time permanent positions	197	197	180
Total compensable workyears:			
Full-time equivalent employment	177	177	156
Full-time equivalent of overtime and holiday hours	1	1	1

NATIONAL AGRICULTURAL LIBRARY

Federal Funds

General and special funds:

NATIONAL AGRICULTURAL LIBRARY

For necessary expenses of the National Agricultural Library, **[\$10,936,000] \$12,356,000: Provided,** That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$35,000 shall be available for employment under 5 U.S.C. 3109: *Provided further,* That not to exceed \$575,000 shall be available pursuant to 7 U.S.C. 2250 for the alteration and repair of buildings and improvements. (5 U.S.C. 5946; 7 U.S.C. 450b, 450i, 2201, 2202, 2204, 2206, 2244, 2264, 2265; Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, Section 101(a).)

Program and Financing (in thousands of dollars)

Identification code	12-0300-0-1-352	1986 actual	1987 est.	1988 est.
Program by activities:				
Direct program:				
00.01	Agricultural information and library services	10,487	10,798	12,056

00.02	Repairs and maintenance of facilities	300	300	300
00.91	Total direct program	10,787	11,098	12,356
01.01	Reimbursable program	1,568	1,200	1,200
10.00	Total obligations	12,355	12,298	13,556
Financing:				
11.00	Offsetting collections from: Federal funds	-1,568	-1,200	-1,200
39.00	Budget authority	10,787	11,098	12,356
Budget authority:				
40.00	Appropriation	10,787	10,936	12,356
Transfers in for:				
46.20	Civilian pay raises		65	
46.40	Retirement contributions (P.L. 99-335)		97	
Relation of obligations to outlays:				
71.00	Obligations incurred, net	10,787	11,098	12,356
72.40	Obligated balance, start of year	4,728	2,675	2,935
74.40	Obligated balance, end of year	-2,675	-2,935	-3,306
77.00	Adjustments in expired accounts	-1,373		
89.00	Outlays	11,467	10,838	11,985
Outlays:				
90.00	Outlays, excluding pay and retirement supplementals	11,467	10,681	11,980
91.20	Outlays from civilian pay raise supplemental		63	2
91.40	Outlays from retirement contribution supplemental		94	3

Note—Excludes \$10 thousand in 1988 for activities transferred to Cooperative State Research Service for the Office of Grants and Program Systems. Comparable amounts for 1986 (\$7 thousand) and 1987 (\$9 thousand) are included above.

The primary purpose of NAL is to acquire, preserve, and disseminate an exhaustive collection of reliable information in all phases of the agricultural and allied sciences.

Agricultural information and library services.—The National Agricultural Library provides a variety of information products and services through: (1) the administration of a unique collection of books, journals, and other information materials about food and agriculture to assure accessibility to their contents; (2) the development and maintenance of cooperative efforts in the library and related information areas, with other Federal agencies and with educational institutions in each State; and (3) an active program of information dissemination. The funds in 1987 will be used to continue NAL's services and cooperative efforts with other libraries.

Repairs and maintenance of facilities.—These funds are used for maintaining the library building.

Object Classification (in thousands of dollars)

Identification code	12-0300-0-1-352	1986 actual	1987 est.	1988 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	4,870	5,132	5,200
11.3	Other than full-time permanent	160	160	170
11.5	Other personnel compensation	70	70	80
11.9	Total personnel compensation	5,100	5,362	5,450
12.1	Personnel benefits: Civilian	556	560	570
21.0	Travel and transportation of persons	79	80	80
22.0	Transportation of things	14	15	15
23.3	Communications, utilities, and miscellaneous charges	673	700	700
24.0	Printing and reproduction	565	600	600
25.0	Other services	1,673	1,681	2,270
26.0	Supplies and materials	1,306	1,300	1,871
31.0	Equipment	821	800	800
99.0	Subtotal, direct obligations	10,787	11,098	12,356
99.0	Reimbursable obligations	1,568	1,200	1,200
99.9	Total obligations	12,355	12,298	13,556

General and special funds—Continued

NATIONAL AGRICULTURAL LIBRARY—Continued

Personnel Summary

Direct:			
Total number of full-time permanent positions	194	194	194
Total compensable workyears:			
Full-time equivalent employment	185	190	190
Full-time equivalent of overtime and holiday hours	5	5	5
Reimbursable:			
Total number of full-time permanent positions	6	6	6
Total compensable workyears: Full-time equivalent employment	5	5	5

NATIONAL AGRICULTURAL STATISTICS
SERVICE

Federal Funds

General and special funds:

NATIONAL AGRICULTURAL STATISTICS SERVICE

For necessary expenses of the National Agricultural Statistics Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, and marketing surveys, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, [\$56,787,000] \$63,014,000: *Provided, That*, hereafter, no funds available to the Department of Agriculture shall be available to publish no part of the funds herein appropriated shall be available for any expense incident to publishing estimates of apple production for other than the commercial crop: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$40,000 shall be available for employment under 5 U.S.C. 3109. (7 U.S.C. 411, 411a, 411b, 427, 471, 475, 476, 501, 951, 953, 955-57, 2201, 2202, 2248, 3103, 3311, 3504; 18 U.S.C. 1902, 1905, 2072; 42 U.S.C. 1891-93; 44 U.S.C. 3501-11; 50 U.S.C. 2061 et seq., 2251 et seq.; Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)

Program and Financing (in thousands of dollars)

Identification code	12-1801-0-1-352	1986 actual	1987 est.	1988 est.
Program by activities:				
Direct program:				
00.01 Crop and livestock estimates	50,108	52,218	56,580	
00.02 Statistical research and service	6,002	6,081	6,434	
00.91 Total direct program	56,110	58,299	63,014	
01.01 Reimbursable program	8,421	7,200	7,200	
10.00 Total obligations	64,531	65,499	70,214	
Financing:				
Offsetting collections from:				
11.00 Federal funds	-7,355	-6,125	-6,125	
14.00 Non-Federal sources	-1,066	-1,075	-1,075	
25.00 Unobligated balance lapsing	90			
39.00 Budget authority	56,200	58,299	63,014	
Budget authority:				
40.00 Appropriation	56,200	56,787	63,014	
Transfers in for:				
46.20 Civilian pay raises		900		
46.40 Retirement contributions (P.L. 99-335)		612		
Relation of obligations to outlays:				
71.00 Obligations incurred, net	56,110	58,299	63,014	
72.40 Obligated balance, start of year	9,793	7,670	7,953	
74.40 Obligated balance, end of year	-7,670	-7,953	-8,709	
77.00 Adjustments in expired accounts	24			
89.00 Outlays	58,257	58,016	62,258	
Outlays:				
90.00 Outlays, excluding pay and retirement supplementals	58,257	56,589	62,173	
91.20 Outlays from civilian pay raise supplemental		855	45	
91.40 Outlays from retirement contribution supplemental		572	40	

Crop and livestock estimates.—The Service provides the official National and State estimates of acreage, yield, and production of crops, stocks and value of farm commodities, and numbers of inventory values of livestock items. Data on approximately 120 crops and 45 livestock products are covered in some 300 reports issued each year. Data collected and published on prices paid and received by farmers are basic to computation of parity prices.

The work under this activity is conducted through 44 State offices serving the 50 States; most of these offices are operated as joint State and Federal services. Cooperative arrangements with State agencies provide additional State and county data. Major program modifications in 1988 include: An increase of \$800,000 to provide improved quality on the acreage intentions, mid-year acreage, monthly crop reports, and end-of-year crop acreage and production surveys by using probability procedures; and an increase of \$500,000 to improve Agricultural Statistics Board Methodology.

Statistical research and service.—This activity is designed to improve crop and livestock estimating techniques by improving sample survey designs and procedures and by testing new forecasting and estimating techniques, such as the use of satellite data.

Object Classification (in thousands of dollars)

Identification code	12-1801-0-1-352	1986 actual	1987 est.	1988 est.
Direct obligations:				
Personnel compensation:				
11.1 Full-time permanent	26,799	27,751	28,193	
11.3 Other than full-time permanent	822	851	864	
11.5 Other personnel compensation	229	237	242	
11.9 Total personnel compensation	27,850	28,839	29,299	
12.1 Personnel benefits: Civilian	4,034	4,727	6,282	
13.0 Benefits for former personnel	30	16	16	
21.0 Travel and transportation of persons	975	1,143	1,286	
22.0 Transportation of things	343	273	306	
23.3 Communications, utilities, and miscellaneous charges	3,697	3,896	4,368	
24.0 Printing and reproduction	347	345	387	
25.0 Other services	17,391	17,292	18,936	
26.0 Supplies and materials	709	769	886	
31.0 Equipment	731	999	1,248	
42.0 Insurance claims and indemnities	1			
43.0 Interest and dividends	2			
99.0 Subtotal, direct obligations	56,110	58,299	63,014	
99.0 Reimbursable obligations	8,421	7,200	7,200	
99.9 Total obligations	64,531	65,499	70,214	

Personnel Summary

Total number of full-time permanent positions	1,066	1,048	1,056
Total compensable workyears:			
Full-time equivalent employment	1,078	1,090	1,098
Full-time equivalent of overtime and holiday hours	1	2	2

Trust Funds

MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing (in thousands of dollars)

Identification code	12-8218-0-7-352	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00 Total obligations	192	173	150	
Financing:				
21.40 Unobligated balance available, start of year		-23		

24.40	Unobligated balance available, end of year.....	23		
60.00	Budget authority (appropriation) (permanent, indefinite).....	215	150	150
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	192	173	150
72.40	Obligated balance, start of year.....	197	77	77
74.40	Obligated balance, end of year.....	-77	-77	-77
90.00	Outlays.....	312	173	150

Miscellaneous funds received from local organizations, commodity groups, and others are available for dissemination of reports and for crop and livestock survey work under cooperative agreements (7 U.S.C. 450b, 450h).

Object Classification (in thousands of dollars)

Identification code	12-8218-0-7-352	1986 actual	1987 est.	1988 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent.....	41	25	25
11.3	Other than full-time permanent.....	2	2	2
11.9	Total personnel compensation.....	43	27	27
12.1	Personnel benefits: Civilian.....	5	3	3
21.0	Travel and transportation of persons.....	1	1	1
23.3	Communications, utilities, and miscellaneous charges.....	42	42	42
24.0	Printing and reproduction.....	63	63	63
25.0	Other services.....	37	36	13
26.0	Supplies and materials.....	1	1	1
99.9	Total obligations.....	192	173	150

Personnel Summary

Total number of full-time permanent positions.....	1	1	1
Total compensable workyears: Full-time equivalent employment.....	2	1	1

ECONOMIC RESEARCH SERVICE

Federal Funds

General and special funds:

ECONOMIC RESEARCH SERVICE

For necessary expenses of the Economic Research Service in conducting economic research and service relating to agricultural production, marketing, and distribution, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and other laws, including economics of marketing; analyses relating to farm prices, income and population, and demand for farm products, use of resources in agriculture, adjustments, costs and returns in farming, and farm finance; research relating to the economic and marketing aspects of farmer cooperatives; and for analyses of supply and demand for farm products in foreign countries and their effect on prospects for United States exports, progress in economic development and its relation to sales of farm products, assembly and analysis of agricultural trade statistics and analysis of international financial and monetary programs and policies as they affect the competitive position of United States farm products, **[\$43,982,000] \$49,045,000**; of which not less than \$200,000 shall be available for investigation, determination and finding as to the effect upon the production of food and upon the agricultural economy of any proposed action affecting such subject matter pending before the Administrator of the Environmental Protection Agency for presentation, in the public interest, before said Administrator, other agencies or before the courts: *Provided*, That not less than \$350,000 of the funds contained in this appropriation shall be available to continue to gather statistics and conduct a special study on the price spread between the farmer and the consumer: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225): *Provided further*, That not less than \$145,000 of the funds contained in this appropriation shall be available for analysis of statistics and related facts on foreign production and full and complete information on methods used by other

countries to move farm commodities in world trade on a competitive basis. (7 U.S.C. 292, 411, 427, 1441a, 1704, 1761-68, 2201, 2202, 3103, 3291, 3311, 3504; 22 U.S.C. 3101; 42 U.S.C. 1891-93; 44 U.S.C. 3501-11; 50 U.S.C. 2061 et seq., 2251 et seq.; Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)

Program and Financing (in thousands of dollars)

Identification code	12-1701-0-1-352	1986 actual	1987 est.	1988 est.
Program by activities:				
00.01	Direct program.....	44,585	45,424	49,045
01.01	Reimbursable program.....	2,121	1,129	640
10.00	Total obligations.....	46,706	46,553	49,685
Financing:				
11.00	Offsetting collections from: Federal funds.....	-2,121	-1,129	-640
21.40	Unobligated balance available, start of year.....	-776	-47	
24.40	Unobligated balance available, end of year.....	47		
25.00	Unobligated balance lapsing.....	260		
39.00	Budget authority.....	44,115	45,377	49,045
Budget authority:				
40.00	Appropriation.....	44,045	43,982	49,045
42.00	Transferred from other accounts.....	70		
43.00	Appropriation (adjusted).....	44,115	43,982	49,045
Transfers in for:				
46.20	Civilian pay raises.....		815	
46.40	Retirement contributions (P.L. 99-335).....		580	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	44,585	45,424	49,045
72.40	Obligated balance, start of year.....	7,933	6,022	6,051
74.40	Obligated balance, end of year.....	-6,022	-6,051	-6,511
77.00	Adjustments in expired accounts.....	-459		
89.00	Outlays.....	46,037	45,395	48,585
Outlays:				
90.00	Outlays, excluding pay and retirement supplementals.....	46,037	44,078	48,507
91.20	Outlays from civilian pay raise supplemental.....		775	40
91.40	Outlays from retirement contribution supplemental.....		542	38

The Economic Research Service performs agricultural economic and other social science research, outlook forecasting, policy analysis, and data collection and management related to U.S. and international agriculture, food, natural resources, and rural America.

Object Classification (in thousands of dollars)

Identification code	12-1701-0-1-352	1986 actual	1987 est.	1988 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent.....	27,903	28,722	29,186
11.3	Other than full-time permanent.....	372	384	390
11.5	Other personnel compensation.....	387	398	405
11.9	Total personnel compensation.....	28,662	29,504	29,981
12.1	Personnel benefits: Civilian.....	3,482	4,131	5,715
13.0	Benefits for former personnel.....	242	202	202
21.0	Travel and transportation of persons.....	541	636	658
22.0	Transportation of things.....	85	32	33
23.3	Communications, utilities, and miscellaneous charges.....	805	876	907
24.0	Printing and reproduction.....	369	389	403
25.0	Other services.....	8,816	8,544	9,997
26.0	Supplies and materials.....	428	449	465
31.0	Equipment.....	1,155	661	684
99.0	Subtotal, direct obligations.....	44,585	45,424	49,045
99.0	Reimbursable obligations.....	2,121	1,129	640
99.9	Total obligations.....	46,706	46,553	49,685

Personnel Summary

Total number of full-time permanent positions.....	800	803	803
Total compensable workyears: Full-time equivalent employment.....	842	871	871

Trust Funds

MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing (in thousands of dollars)

Identification code	12-8227-0-7-352	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations.....	52	44	33
Financing:				
21.40	Unobligated balance available, start of year.....	-20	-11	
24.40	Unobligated balance available, end of year.....	11		
60.00	Budget authority (appropriation) (permanent, indefinite).....	44	33	33
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	52	44	33
72.40	Obligated balance, start of year.....	-5		
90.00	Outlays.....	47	44	33

Miscellaneous funds received from States, local organizations, and others are available for support of economic research and analysis (7 U.S.C. 450b, 450h).

Object Classification (in thousands of dollars)

Identification code	12-8227-0-7-352	1986 actual	1987 est.	1988 est.
Direct obligations:				
11.1	Personnel compensation: Full-time permanent.....	46	39	29
12.1	Personnel benefits: Civilian.....	5	4	3
99.0	Subtotal, direct obligations.....	51	43	32
99.0	Reimbursable obligations.....	1	1	1
99.9	Total obligations.....	52	44	33

Personnel Summary

Total number of full-time positions.....	1	1	1
Total compensable work years: Full-time equivalent employment....	1	1	1

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in the schedule of the parent appropriations as follows:
Agriculture: Soil Conservation Service: "River basin surveys and investigations."

WORLD AGRICULTURAL OUTLOOK BOARD

Federal Funds

General and special funds:

WORLD AGRICULTURAL OUTLOOK BOARD

For necessary expenses of the World Agricultural Outlook Board to coordinate and review all commodity and aggregate agricultural and food data used to develop outlook and situation material within the Department of Agriculture, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1622g), **[\$1,608,000] \$1,802,000. Provided,** That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225). (*Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

Program and Financing (in thousands of dollars)

Identification code	12-2100-0-1-352	1986 actual	1987 est.	1988 est.
Program by activities:				
00.01	Direct program.....	1,575	1,659	1,802

01.01	Reimbursable program.....	62	32	33
10.00	Total obligations.....	1,637	1,691	1,835
Financing:				
11.00	Offsetting collections from: Federal funds.....	-62	-32	-33
25.00	Unobligated balance lapsing.....	23		
39.00	Budget authority.....	1,598	1,659	1,802
Budget authority:				
40.00	Appropriation.....	1,598	1,608	1,802
Transfers in for:				
46.20	Civilian pay raises.....		30	
46.40	Retirement contributions (P.L. 99-335).....		21	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	1,575	1,659	1,802
72.40	Obligated balance, start of year.....	392	277	213
74.40	Obligated balance, end of year.....	-277	-213	-300
77.00	Adjustments in expired accounts.....	-44		
89.00	Outlays.....	1,646	1,723	1,715
Outlays:				
90.00	Outlays, excluding pay and retirement supplementals.....	1,646	1,674	1,713
91.20	Outlays from civilian pay raise supplemental.....		29	1
91.40	Outlays from retirement contribution supplemental.....		20	1

The World Agricultural Outlook Board (WAOB) was established to provide a single focal point for the Nation's economic intelligence related to domestic and international food and agriculture.

The objectives of the WAOB are to improve the consistency, objectivity, and reliability of outlook and situation material being disseminated to the public and to integrate and coordinate USDA domestic and international economic information assistance.

The WAOB carries out these objectives through daily market surveillance and special analyses of international and domestic agricultural developments, direct participation in the planning of research programs supporting outlook and situation activities, and coordination of all departmental activities relating to weather and climate and remote sensing. The 1988 budget includes an increase of \$72,000 for support of integrated economic/meteorological forecasting system.

Object Classification (in thousands of dollars)

Identification code	12-2100-0-1-352	1986 actual	1987 est.	1988 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent.....	1,057	1,112	1,198
11.3	Other than full-time permanent.....	38	24	24
11.9	Total personnel compensation.....	1,095	1,136	1,222
12.1	Personnel benefits: Civilian.....	117	153	200
21.0	Travel and transportation of persons.....	17	33	33
23.3	Communications, utilities, and miscellaneous charges....	47	52	54
24.0	Printing and reproduction.....	20	24	25
25.0	Other services.....	157	168	174
26.0	Supplies and materials.....	35	25	26
31.0	Equipment.....	87	68	68
99.0	Subtotal, direct obligations.....	1,575	1,659	1,802
99.0	Reimbursable obligations.....	62	32	33
99.9	Total obligations.....	1,637	1,691	1,835

Personnel Summary

Total number of full-time permanent positions.....	30	30	30
Total compensable workyears: Full-time equivalent employment....	27	30	30

FOREIGN AGRICULTURAL SERVICE

Federal Funds

General and special funds:

FOREIGN AGRICULTURAL SERVICE*

* See Part II for additional information.

For necessary expenses of the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954, as amended (7 U.S.C. 1761-1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed \$110,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), **[\$81,109,000]** **\$85,649,000**; *Provided*, That not less than \$255,000 of this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis. (7 U.S.C. 1762, 2201-02; 19 U.S.C. 2501; 22 U.S.C. 3963; *Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

GENERAL SALES MANAGER*

(INCLUDING TRANSFERS OF FUNDS)

*See Part II for additional information.

Not to exceed **[\$6,027,000]** **\$7,268,000** may be transferred from the Commodity Credit Corporation funds to support the General Sales Manager who shall work to expand and strengthen sales of United States commodities (including those of the Corporation) in world markets pursuant to existing authority (including that contained in the Corporation's charter), and that such funds shall be used by the General Sales Manager to carry out the above activities. The General Sales Manager shall report directly to the Board of Directors of the Corporation of which the Secretary of Agriculture is a member. The General Sales Manager shall obtain, assimilate, and analyze all available information on developments related to private sales, as well as those funded by the Corporation, including grade and quality as sold and as delivered, including information relating to the effectiveness of greater reliance by the General Sales Manager upon loan guarantees as contrasted to direct loans for financing commercial export sales of agricultural commodities out of private stocks on credit terms, as provided in titles I and II of the Agricultural Trade Act of 1978, Public Law 95-501, and shall submit **[quarterly]** *annual* reports to the appropriate committees of Congress concerning such developments. (*Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

Program and Financing (in thousands of dollars)

Identification code	12-2900-0-1-352	1986 actual	1987 est.	1988 est.
Program by activities:				
Direct program:				
00.01	Foreign agricultural affairs.....	22,242	22,045	22,723
00.02	Foreign market information and access.....	11,210	12,158	12,758
00.03	Foreign market development.....	45,972	48,080	50,168
00.91	Total direct program.....	79,424	82,283	85,649
01.01	Reimbursable program.....	3,346	2,913	2,913
10.00	Total obligations.....	82,770	85,196	88,562
Financing:				
Offsetting collections from:				
11.00	Federal funds.....	-2,824	-2,392	-2,392
14.00	Non-Federal sources.....	-522	-521	-521
25.00	Unobligated balance lapsing.....	51		
39.00	Budget authority.....	79,475	82,283	85,649
Budget authority:				
40.00	Appropriation.....	79,475	81,109	85,649
Transfer in for:				
46.20	Civilian pay raises.....		567	
46.40	Retirement contributions (P.L. 99-335).....		607	

Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	79,424	82,283	85,649
72.40	Obligated balance, start of year.....	62,557	49,765	49,765
74.40	Obligated balance, end of year.....	—49,765	—49,765	—49,765
77.00	Adjustments in expired accounts.....	—1,324		
89.00	Outlays.....	90,892	82,283	85,649
Outlays:				
90.00	Outlays, excluding pay and retirement supplementals.....	90,892	81,109	85,649
91.20	Outlays from civilian pay raise supplemental.....		567	
91.40	Outlays from retirement contribution supplemental.....		607	

The Foreign Agricultural Service mission is to help American farmers and traders take maximum advantage of increased opportunities to sell U.S. agricultural commodities abroad and to help increase U.S. farm income.

Activities are conducted within three program areas:

Foreign agricultural affairs.—The Service maintains agricultural counselors, attachés or trade officers at 76 foreign posts to assist overseas development of markets for U.S. farm commodities. They work closely with numerous U.S. agricultural trade groups and maintain significant contacts with foreign governments and traders to promote market access for U.S. farm products. They also file annually about 4,000 comprehensive reports regarding foreign agricultural production, supply, demand, marketing and trade policy developments to keep U.S. agriculture, industry, and Government currently informed.

PROGRAM STATISTICS

	1986 actual	1987 est.	1988 est.
Number of countries covered.....	110	110	110
Number of trade and Government visitors.....	25,000	25,000	25,000
Number of posts accessible by telecommunications ¹	58	63	68

¹ Global Economic Data Exchange System.

Foreign market information and access.—This program forges a link between the Foreign Agricultural Affairs program and the agency's analytical/informational and market development planning/services functions that serve the U.S. agricultural community and Government decisionmakers. The analysis and timely release of periodicals on world commodity conditions allow U.S. farm and trade groups to have ready access to information that can be used as reliable sources to assess short-term changes in world agricultural supply conditions by commodity.

The analyses of world commodity conditions provide the information necessary to develop export marketing strategies that can be used by the Department not only to gain market access but to enhance the long term market development plans for major U.S. commodities.

Foreign market development.—This program provides funding support to 47 commodity associations (cooperators), 16 contractors participating in the export incentive program, 24 private firms participating in the Value-Added Product Promotion Program, 4 regional groups (representing 47 State departments of agriculture) and the National Association of State Departments of Agriculture. Under FAS guidance and supervision, these organizations conduct an extensive worldwide market development program on behalf of the U.S. farm sector. In addition, the Service develops and operates a worldwide system of multicommodity promotional programs utilizing product exhibits, trade teams,

General and special funds—Continued

GENERAL SALES MANAGER—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

trade services, market information programs, and trade referral services to expand overseas markets. Historically, FAS contributes approximately 30 percent of the total annual cost of this program.

PROGRAM STATISTICS

	1986 actual	1987 est.	1988 est.
Number of commodity associations and firms actively working with FAS.....	61	60	60
Number of agricultural trade offices (ATO).....	15	15	15
Number of countries covered by ATO's.....	33	33	33
Number of visitors to ATO's.....	7,000	8,000	8,000

Object Classification (in thousands of dollars)

Identification code 12-2900-0-1-352	1986 actual	1987 est.	1988 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent.....	23,335	24,384	24,446
11.3 Other than full-time permanent.....	368	340	340
11.5 Other personnel compensation.....	611	592	592
11.9 Total personnel compensation.....	24,314	25,316	25,378
12.1 Personnel benefits: Civilian.....	3,372	4,018	5,534
13.0 Benefits for former personnel.....	61	113	113
21.0 Travel and transportation of persons.....	2,172	2,356	2,360
22.0 Transportation of things.....	931	829	830
23.2 Rental payments to others.....	3,313	3,599	3,599
23.3 Communications, utilities, and miscellaneous charges.....	1,601	1,799	1,809
24.0 Printing and reproduction.....	492	569	574
25.0 Other services.....	41,182	42,043	43,804
26.0 Supplies and materials.....	750	732	735
31.0 Equipment.....	1,233	899	903
42.0 Insurance claims and indemnities.....	3	10	10
99.0 Subtotal, direct obligations.....	79,424	82,283	85,649
99.0 Reimbursable obligations.....	3,346	2,913	2,913
99.9 Total obligations.....	82,770	85,196	88,562

Personnel Summary

Direct:			
Total number of full-time permanent positions.....	702	702	702
Total compensable workyears:			
Full-time equivalent employment.....	696	684	684
Full-time equivalent of overtime and holiday hours.....	2	2	2
Reimbursable:			
Total number of full-time permanent positions.....	1	1	1
Total compensable workyears: Full-time equivalent employment.....	2	1	1

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

Program and Financing (in thousands of dollars)

Identification code 12-2901-0-1-352	1986 actual	1987 est.	1988 est.
Program by activities:			
10.00 Total obligations.....	-74		
Financing:			
21.40 Unobligated balance available, start of year.....	-144		
25.00 Unobligated balance lapsing.....	218		
39.00 Budget authority.....			
Relation of obligations to outlays:			
71.00 Obligations incurred, net.....	-74		
72.40 Obligated balance, start of year.....	74		
90.00 Outlays.....			

OFFICE OF INTERNATIONAL COOPERATION AND DEVELOPMENT

Federal Funds

General and special funds:

OFFICE OF INTERNATIONAL COOPERATION AND DEVELOPMENT

For necessary expenses of the Office of International Cooperation and Development to coordinate, plan, and direct activities involving international development, technical assistance and training, and international scientific and technical cooperation in the Department of Agriculture, including those authorized by the Food and Agriculture Act of 1977 (7 U.S.C. 3291), [\$5,035,000] \$3,816,000; and the Office may utilize advances of funds, or reimburse this appropriation for expenditures made on behalf of Federal agencies, public and private organizations and institutions under agreements executed pursuant to the agricultural food production assistance programs (7 U.S.C. 1736) and the foreign assistance programs of the International Development Cooperation Administration (22 U.S.C. 2392). (7 U.S.C. 427, 450a, 4506b, 1624, 1709, 1727, 1736, 1761, 2201, 2202; Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)

Program and Financing (in thousands of dollars)

Identification code 12-3200-0-1-352	1986 actual	1987 est.	1988 est.
Program by activities:			
Direct program:			
00.01 International agricultural development.....	1,857	1,990	300
00.02 International scientific and technical cooperation.....	3,295	3,159	3,516
00.91 Total direct program.....	5,152	5,149	3,816
Reimbursable program:			
01.01 Technical assistance and analyses to aid foreign development.....	25,507	25,704	25,704
01.02 Subsistence, tuitions, and training for foreign nationals in the United States.....	10,288	11,500	11,500
01.03 International research.....	1,098	1,098	1,098
01.91 Total reimbursable program.....	36,893	38,302	38,302
10.00 Total obligations.....	42,045	43,451	42,118
Financing:			
11.00 Offsetting collections from: Federal funds.....	-36,893	-38,302	-38,302
39.00 Budget authority.....	5,152	5,149	3,816
Budget authority:			
40.00 Appropriation.....	5,152	5,035	3,816
46.40 Transfers in for retirement contributions (P.L. 99-335).....		114	
Relation of obligations to outlays:			
71.00 Obligations incurred, net.....	5,152	5,149	3,816
72.10 Receivables in excess of obligations, start of year.....	-37,656	-23,851	-26,596
74.10 Receivables in excess of obligations, end of year.....	23,851	26,596	26,596
77.00 Adjustments in expired accounts.....	11,060		
89.00 Outlays.....	2,407	7,894	3,816
Outlays:			
90.00 Outlays, excluding retirement contribution supplemental	2,407	7,780	3,816
91.40 Outlays from retirement contribution supplemental		114	

The mission of the Office of International Cooperation and Development (OICD) is to promote U.S. agriculture and to advance the agriculture of developing countries as parts of a complementary global agricultural system capable of providing ample food and fiber for all people.

International agricultural development.—OICD analyzes agricultural policy issues related to USDA's international agricultural development efforts, and supports the Cancun Presidential Agricultural Task Forces and the International Science and Education Council. The Agency also formulates and reviews food aid develop-

ment activities supported by Public Law 480 Titles I and III agreements.

International scientific and technical cooperation.—OICD manages the Department's bilateral exchange and cooperative research programs with foreign governments and institutions in order to strengthen the role of science and technology in the ongoing effort to stabilize world food supplies and to increase the efficiency with which world resources are used. Priorities and criteria for these programs are based on domestic research priorities, potential benefits to U.S. agricultural production, and the availability of desired technologies. OICD coordinates USDA's and the U.S. Government's participation in approximately 30 international organizations concerned with food, agriculture and rural development.

Reimbursable program.—OICD, utilizing USDA and university expertise, provides technical assistance and training to developing countries at the request of AID and international organizations. OICD manages technical assistance projects in over 50 countries, focusing on land and water management, crop and livestock production and marketing, forestry, pest control, resource conservation and other areas. OICD offers a technical and management training program in agriculture and rural development to participants from foreign countries and designees of international organizations.

Object Classification (in thousands of dollars)

Identification code	12-3200-0-1-352	1986 actual	1987 est.	1988 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	1,920	1,900	1,900
11.3	Other than full-time permanent	40	40	40
11.9	Total personnel compensation	1,960	1,940	1,940
12.1	Personnel benefits: Civilian	234	386	706
21.0	Travel and transportation of persons	507	450	90
22.0	Transportation of things	24	20	4
23.2	Rental payments to others	7	10	10
23.3	Communications, utilities, and miscellaneous charges	100	90	50
24.0	Printing and reproduction	34	35	6
25.0	Other services	2,092	2,073	949
26.0	Supplies and materials	17	20	15
31.0	Equipment	94	40	30
41.0	Grants, subsidies, and contributions	83	85	16
99.0	Subtotal, direct obligations	5,152	5,149	3,816
99.0	Reimbursable obligations	36,893	38,302	38,302
99.9	Total obligations	42,045	43,451	42,118

Personnel Summary

Direct:				
	Total number of full-time permanent positions	60	60	60
	Total compensable workyears: Full-time equivalent employment	58	55	55
Reimbursements:				
	Total number of full-time permanent positions	136	136	136
	Total compensable workyears:			
	Full-time equivalent employment	128	129	130
	Full-time equivalent of overtime and holiday hours	5	4	4

【SCIENTIFIC ACTIVITIES OVERSEAS (FOREIGN CURRENCY PROGRAM)】

【For payments in foreign currencies owed to or owned by the United States for market development research authorized by section 104(b)(1) and for agricultural and forestry research and other functions related thereto authorized by section 104(b)(3) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(b)(1), (3)), \$2,500,000 *Provided*, That this appropriation

shall be available, in addition to other appropriations for these purposes, for payments in the foregoing currencies: *Provided further*, That funds appropriated herein shall be used for payments in such foreign currencies as the Department determines are needed and can be used most effectively to carry out the purposes of this paragraph: *Provided further*, That not to exceed \$25,000 of this appropriation shall be available for payments in foreign currencies for expenses of employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), as amended by 5 U.S.C. 3109.】
(Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)

Program and Financing (in thousands of dollars)

Identification code	12-1404-0-1-352	1986 actual	1987 est.	1988 est.
Program by activities:				
00.01	Market development research (sec. 104(b)(1))	300	300	.....
00.02	Agricultural and forestry research (sec. 104(b)(3))	4,722	1,700	.....
00.03	Translation and dissemination of scientific publications (sec. 104(b)(3))	500	500	.....
10.00	Total obligations	5,522	2,500	.....
Financing:				
21.40	Unobligated balance available, start of year	-7,034	-4,366	-4,366
24.40	Unobligated balance available, end of year	4,366	4,366	4,366
40.00	Budget authority (appropriation)	2,854	2,500	.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net	5,522	2,500	.....
72.40	Obligated balance, start of year	11,742	11,199	7,511
74.40	Obligated balance, end of year	-11,199	-7,511	-7,511
90.00	Outlays	6,065	6,188	.....

As authorized by the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), as amended, USDA uses foreign currencies to support research on problems of mutual interest to the United States and participating foreign countries. After 1987, special foreign currency programs will be discontinued.

Object Classification (in thousands of dollars)

Identification code	12-1404-0-1-352	1986 actual	1987 est.	1988 est.
11.1	Personnel compensation: Full-time permanent	35	35	.....
12.1	Personnel benefits: Civilian	3	3	.....
21.0	Travel and transportation of persons	237	175	.....
22.0	Transportation of things	18	20	.....
23.3	Communications, utilities, and miscellaneous charges	32	30	.....
24.0	Printing and reproduction	5	5	.....
25.0	Other services	475	475	.....
26.0	Supplies and materials	22	10	.....
41.0	Grants, subsidies, and contributions	4,695	1,747	.....
99.9	Total obligations	5,522	2,500	.....

Personnel Summary

Total number of full-time permanent positions	5	5	.....
Total compensable workyears: Full-time equivalent employment	5	5	.....

Trust Funds

MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing (in thousands of dollars)

Identification code	12-8232-0-7-352	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations	3,800	5,172	5,188
Financing:				
21.40	Unobligated balance available, start of year	-4,927	-3,900	-3,900

MISCELLANEOUS CONTRIBUTED FUNDS—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code	12-8232-0-7-352	1986 actual	1987 est.	1988 est.
24.40	Unobligated balance available, end of year.....	3,900	3,900	3,900
60.00	Budget authority (appropriation) (permanent, indefinite).....	2,773	5,172	5,188
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	3,800	5,172	5,188
72.40	Obligated balance, start of year.....	383	1,107	1,107
74.40	Obligated balance, end of year.....	-1,107	-1,107	-1,107
90.00	Outlays.....	3,075	5,172	5,188

Miscellaneous funds are received from the Department of State and from Saudi Arabia and other developing countries for USDA development assistance and international research projects (22 U.S.C. 2392).

Object Classification (in thousands of dollars)

Identification code	12-8232-0-7-352	1986 actual	1987 est.	1988 est.
11.1	Personnel compensation: Full-time permanent.....	1,150	1,004	1,004
12.1	Personnel benefits: Civilian.....	130	140	156
21.0	Travel and transportation of persons.....	154	150	150
22.0	Transportation of things.....	62	62	62
23.2	Rental payments to others.....	16	16	16
24.0	Printing and reproduction.....	2	6	6
25.0	Other services.....	1,916	3,253	3,253
26.0	Supplies and materials.....	50	50	50
31.0	Equipment.....	14	191	191
41.0	Grants, subsidies, and contributions.....	306	300	300
99.9	Total obligations.....	3,800	5,172	5,188

Personnel Summary

Total number of full-time permanent positions.....	20	16	16
Total compensable workyears: Full-time equivalent employment.....	20	16	16

FOREIGN ASSISTANCE PROGRAMS

Facilities and funds of the Commodity Credit Corporation may by law be used in carrying out programs for exporting agricultural commodities.

Included in this category are the following activities carried out under the Agricultural Trade Development and Assistance Act of 1954, Public Law 480, 83d Congress, as amended: Financing sales of agricultural commodities for dollars on credit terms, for convertible foreign currency on credit terms, or for convertible foreign currency for use under section 108 of the Act; furnishing commodities to carry out the Food for Progress Act of 1985 (titles I and III); and for dispositions abroad (title II).

No agreements to finance sales under the authority of title I or programs of assistance under title II may be entered into after December 31, 1990.

Federal Funds

General and special funds:

PUBLIC LAW 480

(INCLUDING TRANSFERS OF FUNDS)

For expenses during the current fiscal year, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of

1954, as amended (7 U.S.C. 1691, 1701-1715, 1721-1726, 1727-1727f, 1731-1736g), as follows: (1) financing the sale of agricultural commodities for convertible foreign currencies and for dollars on credit terms pursuant to titles I and III of said Act, or for convertible foreign currency for use under 7 U.S.C. 1708, and for furnishing commodities to carry out the Food for Progress Act of 1985, not more than **[\$834,727,000]** **\$852,000,000**, of which **[\$454,727,000]** **\$429,596,000** is hereby appropriated and the balance derived from proceeds from sales of foreign currencies and dollar loan repayments, repayments on long-term credit sales and carryover balances, and (2) commodities supplied in connection with dispositions abroad, pursuant to title II of said Act, not more than **[\$628,344,000]** **\$535,000,000**, of which **[\$628,344,000]** **\$535,000,000**, is hereby appropriated: *Provided*, That not to exceed 15 per centum of the funds made available to carry out any title of this paragraph may be used to carry out any other title of this paragraph. (*Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

[SEC. 301. Title II of Public Law 99-10 is amended, under the heading "Emergency Reserve for African Famine Relief", by striking out "\$225,000,000" and inserting in lieu thereof "\$525,000,000".]

[SEC. 302. Of the funds appropriated under title II of Public Law 99-10, as amended by this Act, \$300,000,000 shall remain available for obligation until September 30, 1987, notwithstanding any other provision of law or this Act.] (*Public Laws 99-500 and 99-591 providing continuing appropriations for the fiscal year 1987, section 101(k).*)

Program and Financing (in thousands of dollars)

Identification code	12-2274-0-1-151	1986 actual	1987 est.	1988 est.
Program by activities:				
00.01	Financing the sale of agricultural commodities for foreign currencies and for dollars on credit terms (titles I and III).....	862,111	928,927	852,000
00.02	Commodities supplied in connection with dispositions abroad (title II).....	672,260	534,144	535,000
00.91	Total program level funded.....	1,534,371	1,463,071	1,387,000
01.01	Amount financed by balance in CCC and by receipts.....	-159,146	-380,000	-422,404
10.00	Total obligations (object class 25.0).....	1,375,225	1,083,071	964,596
Financing:				
21.40	Unobligated balance available, start of year.....	-356,931		
25.00	Unobligated balance lapsing.....	225,000		
39.00	Budget authority.....	1,243,294	1,083,071	964,596
Budget authority:				
40.00	Appropriation.....	1,243,294	1,383,071	964,596
41.00	Transferred to other accounts.....		-300,000	
43.00	Appropriation (adjusted).....	1,243,294	1,083,071	964,596
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	1,375,225	1,083,071	964,596
72.40	Obligated balance, start of year.....	430,908	710,809	710,809
74.40	Obligated balance, end of year.....	-710,809	-710,809	-668,405
90.00	Outlays.....	1,095,324	1,083,071	1,007,000

Status of Direct Loans (in thousands of dollars)

Identification code	12-2274-0-1-151	1986 actual	1987 est.	1988 est.
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans to the public.....			
1131	Obligations exempt from limitation: Direct loans to the public.....	812,594	819,200	749,300
1150	Total direct loan obligations.....	812,594	819,200	749,300
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year.....	10,045,701	10,622,254	11,250,540
1231	Disbursements: Direct loan disbursements.....	772,542	819,200	749,300
1251	Repayments: Repayments and prepayments.....	-236,041	-190,914	-130,341
1261	Adjustments: Capitalized interest.....	40,052		
1290	Outstanding, end of year.....	10,622,254	11,250,540	11,869,499

RECONCILIATION OF PROGRAM LEVEL TO PROGRAM COSTS FUNDED BY CCC

(In thousands of dollars)

Titles I/III	1986 actual	1987 est.	1988 est.
Gross commodity costs.....	864,456	832,900	764,600
Ocean freight differential and ocean transportation.....	121,255	112,727	102,700
Subtotal.....	985,711	945,627	867,300
Initial payments to exporters.....	-19,533	-16,700	-15,300
Total program level, current year.....	966,178	928,927	852,000
Prior year obligations financed.....	124,620	228,687	228,687
Obligations financed in succeeding year.....	-228,687	-228,687	-228,687
Total program costs, funded.....	862,111	928,927	852,000
Title II			
Commodity costs.....	440,800	338,998	340,000
Ocean and inland transportation.....	310,181	195,146	195,000
Total program level, current year.....	750,981	534,144	535,000
Prior year obligations financed.....	288,637	367,358	367,358
Obligations financed in succeeding year.....	-367,358	-367,358	-367,358
Total program costs, funded.....	672,260	534,144	535,000

Financing the sale of agricultural commodities for convertible foreign currencies and for dollars on credit terms; for convertible foreign currency for use under section 108; and furnishing commodities to carry out the Food for Progress Act of 1985 (titles I and III).—The Corporation finances all sales made pursuant to agreements concluded under the authority of title I, and may serve as the purchasing or shipping agent, or both, if the purchaser so requests. Sales are made to friendly countries—as defined in section 103(d) of the act—and must not displace expected commercial sales for cash dollars (secs. 103 (c) and (n)).

Agreements may not be made under title I in any calendar year which call for an appropriation to reimburse the Corporation in excess of \$1.9 billion, plus unused prior years' authorizations.

Whenever practicable, terms of agreements must require payment at time of delivery of not less than 5% of the purchase price in dollars or in currencies convertible to dollars. These initial payments are applied against costs to reduce appropriation requests.

When U.S.-flag vessels are required to ship commodities under this title, the Corporation will pay the difference between U.S.-flag rates and foreign-flag rates. In limited cases, full transportation costs to port of entry or point of entry abroad may be included along with the cost of the commodity in the amount financed by CCC in order to ensure that U.S. food aid would reach the most needy recipients.

Use of foreign currency (title I).—Certain U.S. uses of foreign currencies are subject to the appropriation process. The Corporation is reimbursed for the dollar value of currencies so used. Proceeds from sales of foreign currencies and from dollar repayments of foreign currency loans are applied as a reduction in appropriation requests.

Financing sales of agricultural commodities for dollars or convertible foreign currencies on credit terms (title I).—Agreements are made with friendly countries for delivery in annual installments for not more than 10 years from the date of the agreement subject to the availability of the commodity.

Credit terms are to be no less favorable than those required by section 122 of the Foreign Assistance Act of 1961, as amended, for loans made under that section.

Repayments under dollar credit agreements are not more than 20 years with a grace period of not more than 2 years on repayment of principal. Convertible foreign currency terms permit repayment of up to 40 years with deferral of principal payments for up to 10 years. As payments are received each year, they are applied against current costs to reduce appropriation requests.

Financing sales of agricultural commodities for convertible foreign currencies to be used pursuant to section 108 (title I).—Title I sales may be financed for convertible foreign currencies which are then loaned to financial intermediaries in the recipient country pursuant to agreements whereby the intermediaries would reloan the funds to promote private enterprise institutions. Funds repaid by the financial intermediaries may be used to finance additional private enterprise investment, develop new markets, pay U.S. obligations, or be converted to dollars.

Furnishing commodities to carry out the Food for Progress Act of 1985 (title I).—Funds appropriated to carry out title I may be used to furnish commodities to carry out the Food for Progress Act of 1985. Such commodities may be furnished on credit terms or on a grant basis in order to assist countries that have made a commitment to introduce and expand free enterprise elements in their agricultural economies.

Total title I agreements made since inception to September 30, 1986, amount to \$15,967.8 million cost value, including ocean freight for shipment on U.S. ships. Major commodities are wheat, cotton, oils, rice, and feed grains. Payments received during the period amount to \$4,200.1 million, of which \$2,586.3 million was applied to principal and \$1,613.8 million to interest.

The following table reflects the composition of the combined appropriations (in thousands of dollars):

SALES FOR DOLLARS ON CREDIT TERMS

Item:	1986 actual	1987 est.	1988 est.
Expenses of shipments:			
Commodity costs: Long-term credit.....	760,095	816,200	749,300
Ocean freight and freight differential (support of U.S. Merchant Marine): Long-term credit.....	102,016	112,727	102,700
Total expenses of shipments.....	862,111	928,927	852,000
Deduct collections:			
Proceeds from sales and use of currencies and loan repayments (foreign currency).....	-60,350	-8,700	.....
Payments from foreign governments, including interest, applied to reduce appropriation (long-term credit).....	-378,697	-371,300	-380,000
Total foreign currency.....	-60,350	-8,700	.....
Total long-term credit.....	483,414	557,627	472,000
Total.....	423,064	548,927	472,000
Prior years' costs or funds brought or carried forward:			
1985: Funds: Long-term credit.....	-139,102	.....	.....
1986: Funds: Long-term credit.....	344,014	-344,014	.....
1987: Funds: Long-term credit.....	.....	344,014	-344,014
1988: Funds: Long-term credit.....	.....	.....	301,610
Foreign currency funds applied to long-term credit costs:			
Foreign currency.....	60,350	8,700	.....
Long-term credit.....	-60,350	-8,700	.....
Appropriation or estimate: Long-term credit.....	627,976	548,927	429,596

Commodities supplied in connection with dispositions abroad (title II).—Under title II, agricultural commodities are furnished to developing countries to meet famine or other emergency relief needs and to combat

General and special funds—Continued

PUBLIC LAW 480—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

malnutrition. They are furnished through friendly governments, private voluntary agencies, foreign nonprofit voluntary agencies if no such U.S. agency is available, and intergovernmental organizations such as the United Nations World Food Program.

The Corporation is authorized to pay the costs of acquisition, packaging, processing, enrichment, preservation, fortification, transportation, handling, and other incidental costs incurred up to the time of delivery to U.S. ports. The Corporation also pays ocean freight charges, and pays transportation costs to points of entry other than ports in the case of landlocked countries, where carriers to a specific country are unavailable, where ports cannot be used effectively, or where a substantial saving in costs or time can be obtained, and pays general average contributions arising from ocean transport. In addition, transportation costs from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs may be paid for commodities made available to meet urgent and extraordinary relief requirements.

Up to \$7.5 million each year may be used to buy foreign currencies accruing under title I of this act to meet costs directed to community and other self-help activities designed to alleviate the causes of the need for such aid. Such costs may not include personnel and administrative costs of cooperating sponsors, distributing agencies and recipient agencies.

Through September 30, 1986, appropriations totaling \$17,850 million were authorized. Beginning October 1, 1985, no programs of assistance shall be undertaken under this title during any fiscal year which call for an appropriation of more than \$1 billion to reimburse the Corporation. This limitation applies to costs incurred, including its investment in commodities (but only on the basis of a price not greater than the export market price of commodities acquired under a price support program), plus any amount by which programs of assistance undertaken under this title in the preceding fiscal year have called or will call for appropriations in amounts less than authorized during the preceding year. This limitation may be waived if the President determines that a waiver is necessary to undertake programs to meet urgent humanitarian needs. Any incidental sales proceeds and proceeds from loss, damage, and other claims are applied against costs to reflect a reduction in appropriation requests.

The following reflects the composition of the appropriations (in thousands of dollars):

COMMODITIES SUPPLIED IN CONNECTION WITH DISPOSITIONS ABROAD

Item:	1986 actual	1987 est.	1988 est.
Expenses of shipments:			
Commodity Credit Corporation stocks and other costs in connection with commodities supplied.....	402,526	338,998	340,000
Ocean transportation.....	269,734	195,146	195,000
Total program costs.....	672,260	534,144	535,000
Prior years' costs or funds brought or carried forward:			
1985: Funds.....	—373,037		
1985: Funds deferred to 1986.....	—50,700		
1986: Funds.....	366,795	—366,795	

1987: Funds.....	366,795	—366,795
1988: Funds.....		366,795
Appropriation or estimate.....	615,318	534,144
		535,000

AGRICULTURAL STABILIZATION AND
CONSERVATION SERVICE

Federal Funds

General and special funds:

SALARIES AND EXPENSES*

(INCLUDING TRANSFERS OF FUNDS)

*See Part II for additional information.

For necessary administrative expenses of the Agricultural Stabilization and Conservation Service, including expenses to formulate and carry out programs authorized by title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301-1393); the Agricultural Act of 1949, as amended (7 U.S.C. 1421 et seq.); sections 7 to 15, 16(a), 16(f), and 17 of the Soil Conservation and Domestic Allotment Act, as amended and supplemented (16 U.S.C. 590g-590o, 590p(a), 590p(f), and 590q); sections 1001 to 1004, 1006 to 1008, and 1010 of the Agricultural Act of 1970 as added by the Agriculture and Consumer Protection Act of 1973 (16 U.S.C. 1501 to 1504, 1506 to 1508, and 1510); the Water Bank Act, as amended (16 U.S.C. 1301-1311); the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101); sections 202(c) and 205 of title II of the Colorado River Basin Salinity Control Act of 1974, as amended (43 U.S.C. 1592(c), 1595); sections 401, 402, and 404 to 406 of the Agricultural Credit Act of 1978 (16 U.S.C. 2201 to 2205); the United States Warehouse Act, as amended (7 U.S.C. 241-273); and laws pertaining to the Commodity Credit Corporation, not to exceed \$491,856,000 \$527,663,000, to be derived by transfer from the Commodity Credit Corporation fund: *Provided*, That other funds made available to the Agricultural Stabilization and Conservation Service for authorized activities may be advanced to and merged with this account: *Provided further*, That these funds shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$100,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That no part of the funds made available under this Act shall be used (1) to influence the vote in any referendum; (2) to influence agricultural legislation, except as permitted in 18 U.S.C. 1913; or (3) for salaries or other expenses of members of county and community committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for engaging in any activities other than advisory and supervisory duties and delegated program functions prescribed in administrative regulations. (7 U.S.C. 135b, 442-445, 447-449, 450j-1, 608c, 624, 1282, 1421-33, 1441-49, 1691-92, 1701-10, 1721-24, 1731-36f, 1781-87, 1838, 1851-54, 1856-57, 1859; 15 U.S.C. 712a, 713a-4-713a-13, 714-714p; 31 U.S.C. 9101, 9103-9; 40 U.S.C. App. A203, A401-5; 50 U.S.C. App. 1917; Public Law 96-108, 93 Stat. 835; Public Law 96-528, 94 Stat. 3111; Public Law 97-103, 95 Stat. 1467; Public Law 97-370, 96 Stat. 1787; Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)

Program and Financing (in thousands of dollars)

Identification code 12-3300-0-1-351	1986 actual	1987 est.	1988 est.
Program by activities:			
00.01 Program formulation and appraisal.....	19,473	20,424	20,102
00.02 Operation of supply adjustment, conservation, and price support programs.....	452,610	474,637	488,943
00.03 Inventory management and merchandising.....	54,208	56,857	58,534
00.04 Warehouse examination.....	5,077	6,020	6,461
10.00 Total obligations.....	531,368	557,938	574,040
Financing:			
Offsetting collections from:			
Federal funds:			
11.00 Commodity Credit Corporation fund.....	—454,884	—510,743	—527,663
11.00 Other.....	—32,280	—28,036	—27,751

14.00	Non-Federal sources.....	-44,006	-19,159	-18,626
39.00	Budget authority.....	198		
Budget authority:				
42.00	Transferred from other accounts.....	198		
43.00	Appropriation (adjusted).....	198		
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	198		
72.40	Obligated balance, start of year.....	24,815	44,651	11,291
74.40	Obligated balance, end of year.....	-44,651	-11,291	-11,291
77.00	Adjustments in expired accounts.....	-5,783		
90.00	Outlays.....	-25,421	33,360	

This account includes funds to cover expenses of programs administered by, and functions assigned to, the Service. The funds consist of transfers from the Commodity Credit Corporation (CCC), user fees, and miscellaneous advances from other sources. This is a consolidated account for administrative expenses of national, commodity, State, and county offices.

Program formulation and appraisal.—The supply adjustment, conservation, and commodity support programs, and the management and merchandising of commodities acquired under the support program, have a tremendous impact on the national and (to a lesser extent) the international economy. This activity provides for constant review of the effectiveness of these programs. It also provides for the analysis of data to formulate more effective programs.

Operation of supply adjustment, conservation, and price support programs.—This activity includes all functions dealing with the administration of programs carried out through the farmer committee system, including: (a) developing program regulations and procedures; (b) holding meetings with employees and producers to discuss new programs or changes in existing programs; (c) collecting and compiling basic data for individual farms; (d) establishing individual farm allotments, bases, and yields; (e) notifying producers of established allotments, bases, and yields; (f) determining farm marketing quotas; (g) handling appeals; (h) conducting referendums and certifying results; (i) accepting farmer certifications and checking compliance; (j) accepting producer applications for participation in commodity price stabilizing programs; (k) issuing marketing cards so that production from the allotted acreage can be marketed without penalty; (l) processing producer requests for conservation cost-sharing and issuing conservation reserve rental payments; (m) processing commodity loan and storage facility loan documents and issuing checks; (n) processing disaster, deficiency, and diversion payments and issuing checks and commodity certificates; and (o) monitoring payment limitations.

Inventory management and merchandising.—This activity includes: (a) overall management of CCC-owned commodities; (b) purchasing commodities; (c) donating commodities; (d) selling commodities; (e) processing the redemption of commodity certificates for CCC inventory; and accounting for loans and commodities.

Warehouse examination.—This activity provides for the examination of warehouses licensed under the U.S. Warehouse Act and non-licensed warehouses storing CCC-owned or pledged commodities. ASCS examiners perform periodic examinations of the facilities and the

warehouse records to ensure protection of depositors against potential losses of the stored commodities and to ensure compliance with the U.S. Warehouse Act and any CCC storage agreements.

Automated data processing.—ASCS has introduced a major new ADP and communications system in support of CCC operations. A benefit cost analysis showed that significant savings and increased productivity could be achieved by using automated equipment. A contract award for the automation equipment occurred in fiscal year 1984; delivery and system implementation began in early 1985. Equipment delivery was completed in FY 1986. Most major program applications are expected to be completed by January 1988. Another major facet of the plan is the establishment of a joint ASCS-FAS data base, which includes information on local production of, and foreign demand for, agricultural commodities. Equipment purchases for these new systems represent a capital investment under the statutory authority of the Commodity Credit Corporation Charter Act.

The fiscal year 1988 budget for salaries and expenses reflects the continuing impact of the 1985 Farm Bill, and the impact of zero funding for regular ASCS conservation programs. The continuing administrative impact of the 1985 farm legislation on ASCS fiscal year 1987 operations is covered by a supplemental request in Part II of the Budget.

Object Classification (in thousands of dollars)

Identification code	12-3300-0-1-351	1986 actual	1987 est.	1988 est.
Personnel compensation:				
11.1	Full-time permanent.....	73,758	82,069	84,625
11.3	Other than full-time permanent.....	8,934	10,309	8,034
11.5	Other personnel compensation.....	2,585	3,030	2,704
11.9	Total personnel compensation.....	85,277	95,408	95,363
12.1	Personnel benefits: Civilian.....	11,192	13,276	16,829
13.0	Benefits for former personnel.....	800	999	1,028
21.0	Travel and transportation of persons.....	4,589	4,933	5,233
22.0	Transportation of things.....	1,100	1,043	994
23.1	Rental payments to GSA.....	31	32	33
23.3	Communications, utilities, and miscellaneous charges.....	14,369	20,191	20,766
24.0	Printing and reproduction.....	2,500	2,748	2,832
25.0	Other services.....	15,074	21,348	20,424
26.0	Supplies and materials.....	3,897	4,891	4,500
31.0	Equipment.....	600	958	712
41.0	Grants, subsidies, and contributions.....	391,773	392,029	405,244
42.0	Insurance claims and indemnities.....	106	59	59
43.0	Interest and dividends.....	10	3	3
44.0	Refunds.....	50	20	20
99.9	Total obligations.....	531,368	557,938	574,040

Personnel Summary

Total number of full-time permanent positions.....	2,444	2,642	2,655
Total compensable workyears:			
Full-time equivalent employment.....	2,954	3,255	3,190
Full-time equivalent of overtime and holiday hours.....	67	67	54

RURAL CLEAN WATER PROGRAM*

*See Part II for additional information.

Program and Financing (In thousands of dollars)

Identification code	12-3337-0-1-304	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 41.0).....	14,005		6,000

General and special funds—Continued

RURAL CLEAN WATER PROGRAM—Continued

Program and Financing (In thousands of dollars)—Continued

Identification code	12-3337-0-1-304	1986 actual	1987 est.	1988 est.
Financing:				
17.00	Recovery of prior year obligations.....		-3,370	
21.40	Unobligated balance available, start of year.....	-16,635	-2,630	-6,000
24.40	Unobligated balance available, end of year.....	2,630	6,000	
39.00	Budget authority			
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	14,005		6,000
72.40	Obligated balance, start of year.....	28,673	35,235	23,899
74.40	Obligated balance, end of year.....	-35,235	-23,899	-23,281
78.00	Adjustments in unexpired accounts.....		-3,370	
90.00	Outlays	7,442	7,966	6,618

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

Enacted/requested:	1986 actual	1987 est.	1988 est.
Budget authority.....			
Outlays.....	7,442	7,966	6,618
Rescission proposal:			
Budget authority.....			
Outlays.....			-340
Total:			
Budget authority.....			
Outlays.....	7,442	7,966	6,278

This experimental Rural Clean Water Program (RCWP), authorized by the Appropriation Acts of 1980 (Public Law 96-108) and 1981 (Public Law 96-528), is a cooperative endeavor among farmers, various USDA agencies and other organizations to develop and test means of controlling agricultural nonpoint source water pollution in rural areas.

Recommended project areas were developed by local and State committees and approved by the Secretary of Agriculture in consultation with the Administrator of the Environmental Protection Agency. Full funding has been provided for all approved projects.

In fiscal year 1986, in anticipation of other funds becoming available in the Clean Water Act, RCWP funds were allocated to assist in antipollution activities related to the Chesapeake Bay project. Since related funds did not become available under the Clean Water Act, RCWP funds will not be used to assist in the cleanup of the Bay in 1987 and are therefore proposed for rescission.

[AGRICULTURAL CONSERVATION PROGRAM]*

*See Part II for additional information.

[For necessary expenses to carry into effect the program authorized in sections 7 to 15, 16(a), 16(f), and 17 of the Soil Conservation and Domestic Allotment Act approved February 29, 1936, as amended and supplemented (16 U.S.C. 590g-590o, 590p(a), 590p(f), and 590q), and sections 1001-1004, 1006-1008, and 1010 of the Agricultural Act of 1970, as added by the Agriculture and Consumer Protection Act of 1973 (16 U.S.C. 1501-1504, 1506-1508, and 1510), and including not to exceed \$15,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States, \$176,935,000, to remain available until expended for agreements, excluding administration but including technical assistance and related expenses, except that no participant in the Agricultural Conservation Program shall receive more than \$3,500 per year, except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the

agricultural resources of the community, or where a participant has a long-term agreement, in which case the total payment shall not exceed the annual payment limitation multiplied by the number of years of the agreement: *Provided*, That no portion of the funds for the current year's program may be utilized to provide financial or technical assistance for drainage on wetlands now designated as Wetlands Types 3 (III) through 20 (XX) in United States Department of the Interior, Fish and Wildlife Circular 39, Wetlands of the United States, 1956: *Provided further*, That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other conservation materials, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out approved farming practices as authorized by the Soil Conservation and Domestic Allotment Act, as amended, as determined and recommended by the county committees, approved by the State committees and the Secretary, under programs provided for herein: *Provided further*, That such assistance will not be used for carrying out measures and practices that are primarily production-oriented or that have little or no conservation or pollution abatement benefits: *Provided further*, That not to exceed 5 per centum of the allocation for the current year's program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the Agricultural Conservation Program in the participating counties, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties, and in addition, on the recommendation of such county committee and approval of the State committee, not to exceed 1 per centum may be made available to any other Federal, State, or local public agency for the same purpose and under the same conditions: *Provided further*, That for the current year's program \$2,500,000 shall be available for technical assistance in formulating and carrying out rural environmental practices: *Provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities" approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18 U.S.C. 1913 to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels.] (*Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

Program and Financing (in thousands of dollars)

Identification code	12-3315-0-1-302	1986 actual	1987 est.	1988 est.
Program by activities:				
00.01	Cost-sharing assistance and technical assistance to farmers.....	138,314	204,290	50,000
00.02	Technical assistance.....	1,807		
10.00	Total obligations	140,121	204,290	50,000
Financing:				
21.40	Unobligated balance available, start of year.....	-36,737	-77,355	-50,000
24.40	Unobligated balance available, end of year.....	77,355	50,000	
40.00	Budget authority (appropriation)	180,739	176,935	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	140,121	204,290	50,000
72.40	Obligated balance, start of year.....	166,688	167,912	153,396
74.40	Obligated balance, end of year.....	-167,912	-153,396	-67,874
90.00	Outlays	138,897	218,806	135,522

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

Enacted/requested:	1986 actual	1987 est.	1988 est.
Budget authority.....	180,739	176,935	
Outlays.....	138,897	218,806	135,522
Rescission proposal:			
Budget authority.....		-164,356	

Outlays.....	—52,670	—75,000
Total:		
Budget authority	180,739	12,579
Outlays.....	138,897	166,136
	60,522	

The primary objectives of the program are to conserve soil and water resources. Along with annual agreements, cost sharing is authorized for long-term agreements of 3-10 years.

The program is administered by ASC county committees, with review and approval by State ASC committees and the Secretary. Technical assistance is provided by SCS and FS.

The 1987 program level of \$12,579 thousand will be allocated to States with the greatest need, and is expected to serve 0.6 million acres. Practices are expected to prevent approximately 2.8 million tons of soil erosion and save 55,000 acre feet of water.

The fiscal year 1988 Budget proposes no funding for this program.

Object Classification (in thousands of dollars)

Identification code	12-3315-0-1-302	1986 actual	1987 est.	1988 est.
AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE				
41.0	Grants, subsidies, and contributions.....	138,314	204,290	50,000
ALLOCATION TO FOREST SERVICE				
41.0	Grants, subsidies, and contributions.....	1,807		
99.9	Total obligations.....	140,121	204,290	50,000

【COLORADO RIVER BASIN SALINITY CONTROL PROGRAM】

【For necessary expenses for carrying out the purposes of section 202 of title II of the Colorado River Basin Salinity Control Act, as amended (43 U.S.C. 1592), to be used to reduce salinity in the Colorado River and to enhance the supply and quality of water available for use in the United States and the Republic of Mexico, \$3,804,000, for investigations and surveys, for technical assistance in developing conservation practices and in the preparation of salinity control plans, for the establishment of on-farm irrigation management systems, including related lateral improvement measures, for making cost-share payments to agricultural landowners and operators, Indian tribes, irrigation districts and associations, local governmental and nongovernmental entities, and other landowners to aid them in carrying out approved conservation practices as determined and recommended by the county committees, approved by the State committees and the Secretary, and for associated costs of program planning, information and education, and program monitoring and evaluation: *Provided*, That the Soil Conservation Service shall provide technical assistance and the Agricultural Stabilization and Conservation Service shall provide administrative services for the program, including but not limited to, the negotiation and administration of agreements and the disbursement of payments: *Provided further*, That such program shall be coordinated with the regular Agricultural Conservation Program and with research programs of other agencies.】 (*Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

Program and Financing (in thousands of dollars)

Identification code	12-3318-0-1-304	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 41.0)		3,804	
Financing:				
40.00	Budget authority (appropriation)		3,804	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		3,804	
72.40	Obligated balance, start of year			1,902

74.40	Obligated balance, end of year	—1,902	
90.00	Outlays.....	1,902	1,902

This program carries out the purposes of section 202(c) of Title II of the Colorado River Basin Salinity Control Act (43 U.S.C. 1592(c)), as amended, by providing cost-share assistance to landowners and others in the Colorado River Basin. The main objective is to enhance the supply and quality of water in the Colorado River for delivery to downstream users in the U.S. and Mexico.

Practices are recommended by the ASC county committees and approved by the State committees and the Secretary of Agriculture. Technical assistance is provided by the Soil Conservation Service. Education and information activities are provided by the Extension Service.

The 1987 program will continue progress on projects previously funded by the ASCS Agricultural Conservation Program and SCS Conservation Operations and River Basin Surveys and Investigation funds. Under this new program, 30 percent of ASCS cost-share funds will be reimbursed to the U.S. Treasury by the Colorado River Basin States.

CONSERVATION RESERVE PROGRAM

For necessary expenses to carry out the Conservation Reserve Program pursuant to the Food Security Act of 1985 (16 U.S.C. 3881-3845), \$1,388,000,000, to remain available until expended, to be used for cost share assistance for the establishment of conservation practices, for annual rental payments incurred during prior fiscal years, and for technical assistance.

Program and Financing (in thousands of dollars)

Identification code	12-3319-0-1-302	1986 actual	1987 est.	1988 est.
Program by activities:				
00.01	Cost-sharing assistance.....			689,000
00.02	Annual rental payments.....			678,000
00.03	Technical assistance.....			21,000
10.00	Total obligations.....			1,388,000
Financing:				
40.00	Budget authority (appropriation)			1,388,000
Relation of obligations to outlays:				
71.00	Obligations incurred, net			1,388,000
90.00	Outlays.....			1,388,000

Note.—Includes \$1,388,000 thousand in 1988 for activities previously financed from:

(In thousands of dollars)

	1986	1987
Commodity Credit Corporation Fund.....	\$23,146	\$700,000

RECONCILIATION OF PROGRAM LEVEL TO APPROPRIATION

(In thousands of dollars)

	1986 actual	1987 est.	1988 est.
Annual rental payments:			
Cash			678,000
CCC commodity certificates			58,000
Total rental payments.....			736,000
Cost-sharing assistance			689,000
Technical assistance			21,000
Total program level, current year			1,446,000
Deduct:			
Financing by CCC commodity certificates			—58,000
Appropriation			1,388,000

General and special funds—Continued

CONSERVATION RESERVE PROGRAM—Continued

Object Classification (in thousands of dollars)

Identification code	12-3319-0-1-302	1986 actual	1987 est.	1988 est.
Program by activities:				
25.0	Other services.....			21,000
41.0	Grants, subsidies, and contributions.....			1,367,000
99.9	Total obligations.....			1,388,000

The Conservation Reserve Program (CRP) was mandated by sections 1231-1244 of the Food Security Act of 1985 (P.L. 99-198) to establish permanent cover on highly erodible cropland. The primary objectives of the CRP are to help farmers control critical soil erosion that occurs on about a third of America's cropland and to decrease production of surplus agricultural commodities, including wheat, corn, grain sorghum, soybeans, and small grains.

The CRP is authorized in all 50 States, Puerto Rico, and the Virgin Islands on all croplands meeting the eligibility criteria of eroding at three times the soil loss tolerance or higher, or twice the soil loss tolerance with serious gully erosion. Up to 45 million acres of highly erodible land may be entered into the reserve.

The program is administered by State and local ASC committees working under the general direction of ASCS. Technical assistance is provided by the Soil Conservation Service, the Forest Service, the Cooperative Extension Service, and others.

In exchange for entering land into the reserve, program participants will receive annual rental payments in cash or commodities, based on their accepted bids per acre and the number of acres placed under 10-year contracts. In addition, farmers will receive one-time payments of 50 percent of the eligible costs of establishing vegetative cover on the reserve acreage.

To facilitate program implementation, use of the funds and facilities of the Commodity Credit Corporation (CCC) was authorized for fiscal years 1986 and 1987. Beginning in fiscal year 1988, the services and facilities of CCC may continue to be used, but appropriations must be provided to CCC in advance to carry out the program. Under the Food Security Act, authority is provided to enter into CRP contracts through fiscal year 1990. Appropriations needed to make annual payments will be requested through fiscal year 2000.

During fiscal year 1987, two sign-up periods will be held to enroll acres. The first sign-up period will be held in early 1987 for crop year 1987 acres. A second sign-up, which will be for both crop year 1987 and 1988 acres, will be held later in 1987. The program is expected to enroll a minimum of 6.1 million acres for crop year 1987, bringing total participation through crop year 1987 up to 15 million acres.

The 1988 program is expected to enroll a minimum of 10 million acres of highly erodible cropland. These acres would be enrolled for crop year 1988 or in advance for crop year 1989. Total participation through fiscal year 1988 is projected to be at least the 25 million acres established by the Act. The appropriation requested for fiscal year 1988 would be used for annual rental payments due on prior year contracts, for cost-sharing

assistance on crop year 1988 contracts, and for fiscal year 1988 technical assistance payments.

[WATER BANK PROGRAM]*

*See Part II for additional information.

[For necessary expenses to carry into effect the provisions of the Water Bank Act (16 U.S.C. 1301-1311), \$8,371,000, to remain available until expended.] (*Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

Program and Financing (in thousands of dollars)

Identification code	12-3320-0-1-302	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 41.0).....	4,649	13,051	
Financing:				
21.40	Unobligated balance available, start of year.....	-958	-4,680	
24.40	Unobligated balance available, end of year.....	4,680		
40.00	Budget authority (appropriation).....	8,371	8,371	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	4,649	13,051	
72.40	Obligated balance, start of year.....	40,092	35,403	39,075
74.40	Obligated balance, end of year.....	-35,403	-39,075	-31,397
90.00	Outlays.....	9,338	9,379	7,678

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)				
Enacted/requested:				
	1986 actual	1987 est.	1988 est.	
Budget authority.....	8,371	8,371		
Outlays.....	9,338	9,379	7,678	
Rescission proposal:				
Budget authority.....		-8,166		
Outlays.....		-1,088	-838	
Total:				
Budget authority.....	8,371	205		
Outlays.....	9,338	8,291	6,840	

The objectives of the Water Bank Program are to conserve water; preserve, maintain, and improve the Nation's wetlands; increase waterfowl habitat in migratory waterfowl nesting, breeding, and feeding areas in the United States; and secure recreational and environmental benefits for the Nation. The program was authorized by the Water Bank Act, approved December 19, 1970, as amended by Public Law 96-182, approved January 2, 1980.

The Secretary of Agriculture, through designated ASCS county offices, uses program funds to enter into 10-year agreements with landowners and operators for the conservation of specified wetlands. Provisions exist to renew agreements for additional periods, to make annual payments on agreements, and under certain conditions to increase payment rates in the fifth year of a contract or at the time of renewal.

The 1988 Budget proposes no funding for this program.

[EMERGENCY CONSERVATION PROGRAM]*

*See Part II for additional information.

[For an additional amount, for necessary expenses to carry out the program authorized under title IV of the Agricultural Credit Act of 1978 (16 U.S.C. 2201-2205), \$10,000,000 to remain available until expended.] (*Agriculture, Rural Development, and Related Agencies Ap-*

proprations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)

Program and Financing (in thousands of dollars)

Identification code	12-3316-0-1-453	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 41.0)	6,765	18,349	
Financing:				
21.40	Unobligated balance available, start of year	-10,114	-8,349	
24.40	Unobligated balance available, end of year	8,349		
40.00	Budget authority (appropriation)	5,000	10,000	
Relation of obligations to outlays:				
71.00	Obligations incurred, net	6,765	18,349	
72.40	Obligated balance, start of year	2,195	1,858	4,588
74.40	Obligated balance, end of year	-1,858	-4,588	
90.00	Outlays	7,103	15,619	4,588

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

Enacted/requested:	1986 actual	1987 est.	1988 est.
Budget authority	5,000	10,000	
Outlays	7,103	15,619	4,588
Rescission proposal:			
Budget authority		-10,000	
Outlays		-7,500	-2,500
Total:			
Budget authority	5,000		
Outlays	7,103	8,119	2,088

This program was authorized by the Agricultural Credit Act of 1978 (16 U.S.C. 2201-05). It provides funds for sharing the cost of emergency measures to deal with cases of severe damage to farms and rangelands resulting from natural disasters.

Under the 1986 program, cost-sharing assistance was provided in 33 States to treat farmlands damaged by floods, tornadoes, hurricanes, and drought. The 1987 program is expected to rehabilitate approximately 607,400 acres of farmland damaged by natural disaster.

【DAIRY INDEMNITY PROGRAM】

【For necessary expenses involved in making indemnity payments to dairy farmers for milk or cows producing such milk and manufacturers of dairy products who have been directed to remove their milk or dairy products from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government, and in making indemnity payments for milk, or cows producing such milk, at a fair market value to any dairy farmer who is directed to remove his milk from commercial markets because of (1) the presence of products of nuclear radiation or fallout if such contamination is not due to the fault of the farmer, or (2) residues of chemicals or toxic substances not included under the first sentence of the Act of August 13, 1968, as amended (7 U.S.C. 450j), if such chemicals or toxic substances were not used in a manner contrary to applicable regulations or labeling instructions provided at the time of use and the contamination is not due to the fault of the farmer, \$95,000: *Provided*, That none of the funds contained in this Act shall be used to make indemnity payments to any farmer whose milk was removed from commercial markets as a result of his willful failure to follow procedures prescribed by the Federal Government.】 (*Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

Program and Financing (in thousands of dollars)

Identification code	12-3314-0-1-351	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 41.0)	2,544	6,644	

Financing:				
21.40	Unobligated balance available, start of year	-6,551		
24.40	Unobligated balance available, end of year	6,551		
40.00	Budget authority (appropriation)	9,095	95	
Relation of obligations to outlays:				
71.00	Obligations incurred, net	2,544	6,644	
72.40	Obligated balance, start of year	18	2,546	
74.40	Obligated balance, end of year	-2,546		
90.00	Outlays	16	9,190	

Under this program indemnification payments are made to dairy farmers and manufacturers of dairy products.

The Dairy Indemnity Program was authorized under 78 Stat. 508 in 1964, and has been extended through September 30, 1990, by the Food Security Act of 1985 (Public Law 99-198). Payments are made to farmers and manufacturers who are directed to remove their milk or milk products from commercial markets because they contain residues of chemicals which have been registered and approved for use by the Federal Government, of other chemicals, of nuclear radiation, or of nuclear fallout. The authority also provides that indemnification may be paid for cows producing such milk.

In fiscal year 1987 estimated payments of \$9,190 thousand will be made to producers and manufacturers who have incurred losses due to contamination of milk, milk products, or cows by the pesticide heptachlor.

Due to the emergency nature of this program, funding is requested as needs arise. Therefore, the fiscal year 1988 budget proposes no funding for this program.

【FORESTRY INCENTIVES PROGRAM】

【For necessary expenses, not otherwise provided for, to carry out the program of forestry incentives, as authorized in the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101), including technical assistance and related expenses, \$11,891,000, to remain available until expended, as authorized by the Act.】 (*Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

Program and Financing (in thousands of dollars)

Identification code	12-3336-0-1-302	1986 actual	1987 est.	1988 est.
Program by activities:				
00.01	Cost-share assistance and technical assistance to land-owners	10,087	13,605	
00.02	Technical assistance (allocation to Forest Service)	938		
10.00	Total obligations (object class 41.0)	11,025	13,605	
Financing:				
21.40	Unobligated balance available, start of year	-848	-1,714	
24.40	Unobligated balance available, end of year	1,714		
40.00	Budget authority (appropriation)	11,891	11,891	
Relation of obligations to outlays:				
71.00	Obligations incurred, net	11,025	13,605	
72.40	Obligated balance, start of year	16,546	16,330	16,453
74.40	Obligated balance, end of year	-16,330	-16,453	-8,425
90.00	Outlays	11,241	13,482	8,028

This program was authorized by the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101). The objectives of the program are to bring private, nonindustrial forest land under intensified management, to increase

General and special funds—Continued

[FORESTRY INCENTIVES PROGRAM]—Continued

timber production, to assure adequate supplies of timber products, and to enhance other forest resources.

The Forestry Incentives Program shares up to 65 percent of the cost of tree planting and timberstand improvement. The percentage cost-shared depends on the rate set in a particular State and county by the Agricultural Stabilization and Conservation Committee, after consulting with the State forester. The program is available in designated counties based on a Forest Service survey of total eligible private timberland available for production of timber products. The program is administered by ASCS. Technical assistance is provided by Forest Service.

Under the 1987 program, cost-sharing will be provided to farmers for planting trees on 169,100 acres and improving the timberstand on 39,300 acres of forest.

The fiscal year 1988 Budget proposes no funding for this program.

CORPORATIONS

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency except as herein-after provided.

FEDERAL CROP INSURANCE CORPORATION

Federal Funds

General and special funds:

ADMINISTRATIVE AND OPERATING EXPENSES

For administrative and operating expenses, as authorized by the Federal Crop Insurance Act, as amended (7 U.S.C. 1516), [\$209,568,000] \$215,197,000: *Provided*, That not to exceed \$700 shall be available for official reception and representation expenses, as authorized by 7 U.S.C. 1506(i). (*Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

Program and Financing (in thousands of dollars)

Identification code	12-2707-0-1-351	1986 actual	1987 est.	1988 est.
Program by activities:				
Direct program:				
00.01	Underwriting, actuarial, and program development.....	27,687	20,320	25,497
00.02	Reinsured companies	98,809	145,059	153,251
00.03	Agency sales and service agreements and loss adjustment contracts	36,173	25,109	22,044
00.04	Compliance	351	2,400	2,582
00.05	Program management and administrative support	30,472	16,680	11,823
00.91	Total direct program	193,492	209,568	215,197
01.01	Reimbursable program	10		
10.00	Total obligations	193,502	209,568	215,197
Financing:				
11.00	Offsetting collections from: Federal funds	-10		
25.00	Reimbursed balance lapsing	16,116		
40.00	Budget authority (appropriation)	209,608	209,568	215,197
Relation of obligations to outlays:				
71.00	Obligations incurred, net	193,492	209,568	215,197
72.10	Receivables in excess of obligations, start of year	83	437	437
74.10	Receivables in excess of obligations, end of year	-437	-437	-437

72.40	Obligated balance, start of year	95,523	93,880	93,880
74.40	Obligated balance, end of year	-93,880	-93,880	-93,880
90.00	Outlays	194,781	209,568	215,197

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)				
Enacted/requested:				
		1986 actual	1987 est.	1988 est.
Budget authority		209,608	209,568	215,197
Outlays		194,781	209,568	215,197
Proposed for later transmittal under proposed legislation:				
Budget authority				-50,803
Outlays				-50,803
Total:				
Budget authority		209,608	209,568	164,394
Outlays		194,781	209,568	164,394

This appropriation finances the administrative and operating expenses of the Corporation to provide funds to establish and maintain rates and coverages for 19,400 county programs in over 3,000 counties and to continue development of sales policies. Crop insurance in force is estimated to increase from \$8.4 billion in crop year 1987 to \$10.1 billion in crop year 1988, and the estimated insured acres are expected to increase from 58.6 million in crop year 1987 to 70.3 million in crop year 1988.

The Corporation's long-term objective is to oversee the private delivery of crop insurance on an actuarially sound basis, develop actuarial rates for use by private insurance companies, and perform compliance activities.

For fiscal year 1988, the appropriation for administrative and operating expenses will enable the Corporation to provide for growth in the expanded crop insurance program to an estimated 26.5 percent farmers' participation, bringing the program closer to attaining its long-term objective. The 1988 appropriation is the first year of a 5-year phase-out of all Federal operating subsidies. The objective is to fully privatize the delivery of crop insurance by 1992.

The major portion of administrative and operating expenses is to support delivery systems which rely heavily on the private sector as provided by the Federal Crop Insurance Act of 1980 under section 507(c).

The delivery systems are:

Reinsured companies which enable insurance companies to provide the insurance marketing, distribution, servicing, training, quality control, and loss adjustment functions. The companies also share with Federal Crop Insurance Corporation, to a limited extent, in both profits and losses. It is estimated that reinsured companies will handle about 90 percent of the total premium during crop year 1988. For crop year 1987, 47 companies or groups will be writing crop insurance with reinsurance from FCIC; and

Agency sales and service agreement, also known as the "master marketing agreement." Under this type of agreement, private insurance companies and associations are offered the opportunity to contract with FCIC to provide insurance sales and services. They are compensated on a commission basis. It is estimated that these agreements will account for 10 percent of the total premium for crop year 1988.

In addition, in areas where an adequate private sales and service force is not available, FCIC may ask other

USDA agencies to sell and service all-risk crop insurance through existing county offices.

As the private sector becomes more involved in the all-risk crop insurance program, it is expected that the companies will be able to "risk" more of their funds thus reducing the cost to the Government and at the same time reach the Corporation's goal of having all-risk crop insurance available to as many farm producers as possible.

The 1988 estimate includes savings from consolidation of administrative support services as part of 1987 budget management reforms.

Object Classification (in thousands of dollars)

Identification code	12-2707-0-1-351	1986 actual	1987 est.	1988 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	20,814	18,901	19,471
11.3	Other than full-time permanent	6,501	4,813	.....
11.5	Other personnel compensation	699	604	259
11.9	Total personnel compensation	28,014	24,318	19,730
12.1	Personnel benefits: Civilian	3,828	2,918	3,749
13.0	Benefits for former personnel	153	200	200
21.0	Travel and transportation of persons	4,051	4,825	3,933
22.0	Transportation of things	344	241	197
23.2	Rental payments to others	470	800	828
23.3	Communications, utilities, and miscellaneous charges	2,483	1,805	1,296
24.0	Printing and reproduction	725	579	472
25.0	Other services	141,722	172,816	183,922
26.0	Supplies and materials	459	482	393
31.0	Equipment	686	579	472
42.0	Insurance claims and indemnities	4	3	3
43.0	Interest and dividends	10,554	2	2
99.0	Subtotal, direct obligations	193,492	209,568	215,197
99.0	Reimbursable obligations	10	.....	.....
99.9	Total obligations	193,502	209,568	215,197

Personnel Summary

Total number of full-time permanent positions	760	760	760
Total compensable workyears:			
Full-time equivalent employment	1,096	950	750
Full-time equivalent of overtime and holiday hours	11	15	10

ADMINISTRATIVE AND OPERATING EXPENSES

(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identification code	12-2707-2-1-351	1986 actual	1987 est.	1988 est.
Program by activities:				
00.01	Underwriting, actuarial, and program development .....	.....	.....	— 6,369
00.02	Reinsured companies .....	.....	.....	— 30,780
00.03	Agency sales and service agreements and loss adjustment contracts .....	.....	.....	— 12,578
00.04	Compliance .....	.....	.....	— 723
00.05	Program management and administrative support .....	.....	.....	— 353
10.00	Total obligations (object class 25.0) .....	.....	.....	— 50,803
Financing:				
40.00	Budget authority (appropriation) .....	.....	.....	— 50,803
Relation of obligations to outlays:				
71.00	Obligations incurred, net .....	.....	.....	— 50,803
90.00	Outlays .....	.....	.....	— 50,803

Legislation will be proposed to increase the producer's share of premium cost in order to phase out Federal payment of administrative expenses and premium subsidy over a 5-year period beginning in 1988.

Object Classification (in thousands of dollars)

Identification code	12-2707-2-1-351	1986 actual	1987 est.	1988 est.
Personnel compensation:				
11.1	Full-time permanent .....	.....	.....	— 13,682
11.5	Other personnel compensation .....	.....	.....	— 156
11.9	Total personnel compensation .....	.....	.....	— 13,838
12.1	Personnel benefits: Civilian .....	.....	.....	— 2,634
13.0	Benefits for former personnel .....	.....	.....	8,551
21.0	Travel and transportation of persons .....	.....	.....	— 2,567
22.0	Transportation of things .....	.....	.....	— 128
23.2	Rental payments to others .....	.....	.....	— 562
23.3	Communications, utilities, and miscellaneous charges .....	.....	.....	— 879
24.0	Printing and reproduction .....	.....	.....	— 245
25.0	Other services .....	.....	.....	— 37,933
26.0	Supplies and materials .....	.....	.....	— 256
31.0	Equipment .....	.....	.....	— 312
99.9	Total obligations .....	.....	.....	— 50,803

Personnel Summary

Total compensable workyears:			
Full-time equivalent employment .....	.....	.....	— 480
Full-time equivalent of overtime and holiday hours .....	.....	.....	— 5

Public enterprise funds:

FEDERAL CROP INSURANCE CORPORATION FUND

For payments as authorized by section 508(b) of the Federal Crop Insurance Act, as amended [§135,743,000] \$284,823,000. (Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)

Program and Financing (in thousands of dollars)

Identification code	12-4085-0-3-351	1986 actual	1987 est.	1988 est.
Program by activities:				
Operating expenses:				
00.01	Indemnities	304,656	98,549	74,923
00.02	Interest	— 390	56,300	86,300
00.03	Other expenses	— 11,012	936	738
01.01	Reinsurance losses, net	794,680	639,743	669,318
10.00	Total obligations	1,087,934	795,528	831,279
Financing:				
14.00	Offsetting collections from: Non-Federal sources	— 548,916	— 367,686	— 374,491
21.98	Unobligated balance available, start of year: Fund balance	— 133,760	— 178,932	— 261,833
22.98	Unobligated balance transferred, net: Fund balance	— 450,000	— 375,000	— 200,000
24.98	Unobligated balance available, end of year: Fund balance	178,932	261,833	214,868
31.00	Redemption of debt .....	.....	.....	75,000
39.00	Budget authority	134,190	135,743	284,823
Budget authority:				
40.00	Appropriation (premium subsidy)	134,190	124,034	228,523
40.00	Appropriation (interest) .....	.....	11,709	56,300
43.00	Appropriation (adjusted)	134,190	135,743	284,823
Relation of obligations to outlays:				
71.00	Obligations incurred, net	539,018	427,842	456,788
72.10	Receivables in excess of obligations, start of year	— 100,459	117,235	117,235
74.10	Receivables in excess of obligations, end of year	— 117,235	— 117,235	— 117,235
90.00	Outlays	321,324	427,842	456,788

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

Enacted/requested:	1986 actual	1987 est.	1988 est.
Budget authority	134,190	135,743	284,823
Outlays	321,324	427,842	456,788
Proposed for later transmittal under proposed legislation:			
Budget authority .....	.....	.....	— 105,940

Public enterprise funds—Continued

FEDERAL CROP INSURANCE CORPORATION FUND—Continued

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS—Continued

(In thousands of dollars)

Outlays			-138,920
Total:			
Budget authority	134,190	135,743	178,883
Outlays	321,324	427,842	317,868

The Federal Crop Insurance Corporation, a wholly owned Government corporation, was created on February 16, 1938 (7 U.S.C. 1501-1520), to carry out the provisions of the Federal Crop Insurance Act, as amended. The purpose of this act is to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance, and to provide the means for the research and experience helpful in devising and establishing such insurance.

Crop insurance offered to agricultural producers by the Corporation provides protection from losses caused by natural hazards, such as insect and wildlife damage, plant diseases, fire, drought, flood, wind, and other weather conditions. It does not indemnify producers for losses resulting from negligence or failure to observe good farming practices.

The crop insurance programs are planned, developed, and monitored by the FCIC headquarters office located in Washington, DC and its national operations office located in Kansas City, MO. The program is administered in the field through 18 field operations offices and 11 field actuarial offices. Sales and servicing of contracts at the county level are performed primarily by agents operating under agency sales and service agreements (master marketing agreements) and agents of reinsured companies. In those areas where these delivery systems are not in place, other USDA agencies may be used to market and service the program. The adjustment of losses is performed by FCIC employees, adjusters under contract with FCIC, and reinsured companies under contract with FCIC. Also, as required, ASCS will perform some loss adjustment support on a reimbursable basis for the Corporation. Detailed administrative accounting is performed by the National Finance Center in New Orleans, LA, and program accounting and statistical functions, as well as the underwriting and actuarial analysis work, are performed in Kansas City, MO.

Budget program.—The program for 1988 (crop year 1987) will provide crop insurance protection to farmers amounting to approximately \$8.4 billion on the following commodities: Almonds, apples, barley, beans, citrus, citrus trees, combined crop, corn, cotton, ELS cotton, cranberries, flax, forage production, forage seeding, grain sorghum, canning peaches, grapes, table grapes, hybrid seeding, oats, peaches, peanuts, peas (dry and green), peppers, popcorn, potatoes, prevented planting, prunes, raisins, rice, rye, soybeans, sugar beets, sugarcane, sunflowers, sweet corn, sweet corn (fresh), tobacco, tomatoes (fresh), tomatoes (processing), walnuts, and wheat. The program for 1988 is the first year of a five-year phase-out of all Federal premium subsidies. The objective is to fully privatize the delivery of crop insurance by 1992.

The 1987 appropriation provides sufficient funding for crop year 1987 to insure 58.6 million acres with an

estimated \$500.3 million in total premium income, including \$124 million in premium subsidy.

The following table compares the scope of the insurance operations planned for 1987 and 1988, as compared with 1986. Amounts in the 1986 column are actual, and pertain to the 1985 crop year. The 1986 column pertains to the 1986 crop year, and reflects levels of participation that can be achieved with the 1987 appropriations. The 1988 column pertains to the 1987 crop year.

	1986 fiscal year (1985 crop year) actual	1987 fiscal year (1986 crop year) estimate	1988 fiscal year (1987 crop year) estimate
Number of States.....	49	49	49
Number of counties.....	3,012	3,012	3,012
Insurance in force (thousands).....	\$7,188,803	\$6,700,000	\$8,381,000
Insured acreage (thousands).....	48,525	46,850	58,600
Farmers premium (thousands) ¹	345,137	300,832	371,055
Premium subsidy (thousands) ¹	100,456	99,168	129,245
Total premium (thousands) ¹	445,593	400,000	500,300
Indemnities (thousands) ¹	680,920	619,200	730,438
Loss ratio.....	1.53	1.55	1.46

¹ Includes amounts that will appear on the books of the reinsured companies. The Corporation records will only reflect the net reinsurance income and net reinsurance loss.

Financing.—The Corporation is authorized under the Federal Crop Insurance Act, as amended, to use funds from the issuance of capital stock which provides working capital for the Corporation.

Receipts which are for deposit to this fund come mainly from premiums paid by farmers. The principal payments from this fund are for indemnities to insured farmers, the direct cost of adjusting crop losses and agents' commissions. However, an appropriation will be requested in subsequent years for payments made from premium income used for loss adjustment costs and/or agents' commissions as provided by section 516(a) of the Federal Crop Insurance Act, as amended.

Premium subsidies are authorized by section 508(b) of the Federal Crop Insurance Act, as amended. The purpose of the subsidy is to encourage the broadest possible participation of farm producers in the crop insurance program. Subsidies are paid by the Corporation based upon 30 percent of each producer's premium (reduced, where applicable, for hail and fire exclusion or State agency subsidy) on any coverage, under the Corporation's policy of insurance of up to a maximum of 65 percent of the recorded or appraised average yield, as adjusted.

In fiscal year 1986, the Corporation borrowed \$450 million from the Commodity Credit Corporation in order to pay heavy crop years 1985 and 1986 losses.

PREMIUM AND SUBSIDY

(In thousands of dollars)

	1986 fiscal year (1985 crop year) actual	1987 fiscal year (1986 crop year) estimate	1988 fiscal year (1987 crop year) estimate
Premiums:			
Producer premium	345,137	300,832	371,055
(Government operations).....	(91,652)	(60,166)	(37,105)
(Reinsurance operations) ¹	(253,485)	(240,666)	(333,950)
Amount of subsidies	100,456	99,168	129,245
(Government operations).....	(26,108)	(19,834)	(12,925)
(Reinsurance operations) ¹	(74,348)	(79,334)	(116,321)
Total premiums	445,593	400,000	500,300
Indemnities	680,920	619,200	730,438
(Government operations)	(209,776)	(139,200)	(73,044)

(Reinsurance operations) ¹ (471,144) (480,000) (657,394)

¹ These amounts will appear on the books of the reinsured companies. The Corporation records will only reflect the net reinsurance income and net reinsurance losses.

The annual appropriation for the administrative and operating expenses of the Corporation is presented earlier in the budget.

Operating results and financial condition.—As of September 30, 1986, the Corporation reflected a deficit of \$1,476.9 million. This compares with a deficit of \$937.9 million at September 30, 1985.

For crop years 1948 through 1985, indemnities (\$3,291.7 million) exceeded premium income (\$2,584.3 million) by \$707.4 million; the loss ratio for the period was 1.27. Indemnity costs exceeded premiums in 20 of the 38 years.

The following table summarizes the insurance operations for 1986, 1987, and 1988:

NET INCOME OR LOSS (—) ON INSURANCE OPERATIONS

(In thousands of dollars)

	1986 fiscal year	1987 fiscal year estimate	1988 fiscal year estimate
Premiums over indemnities	—161,433	—51,749	—37,932
(Premium subsidy expenses)	(16,602)	(15,963)	(12,850)
Interest expense	5,705	—56,300	—86,300
Other income or expense, net (—)	5,324	—936	—738
Reinsurance underwriting gain (+) or loss (—)	—263,394	—206,603	—213,387
Premium subsidy expense—reinsurance	—125,220	—112,254	—118,431
Net income or loss (—)	—539,018	—427,842	—456,788

Revenue and Expense (in thousands of dollars)

	1986 actual	1987 est.	1988 est.
Revenue	548,916	367,686	374,491
Expense	1,087,934	795,528	831,279
Net income or loss (—) for the year	—539,018	—427,842	—456,788

Financial Condition (in thousands of dollars)

	1985 actual	1986 actual	1987 est.	1988 est.
Assets:				
Selected assets:				
Treasury balance	33,301	296,167	353,902	379,015
Accounts receivable, net	172,217	155,102	193,871	185,740
Deferred charges	588,597	192,681	182,610	135,000
Total assets	794,115	643,950	730,386	699,755
Liabilities:				
Selected liabilities:				
Accounts payable and accrued liabilities	310,585	369,191	343,403	334,812
Deferred credits	349,695	95,752	125,075	150,000
Provisions for surety losses	75	75	75	75
Total liabilities	660,355	465,018	468,553	484,887
Government equity:				
Selected equities:				
Non-interest-bearing capital	500,000	500,000	500,000	500,000
Paid-in capital	37,978	37,978	37,978	37,978
Appropriation (Treasury borrowing)	113,000	113,000	113,000	38,000
Appropriation (premium subsidy)	368,148	502,338	626,372	854,895
Appropriation (agents' commissions)	47,909	47,909	47,909	47,909
Appropriation (loss adjustment)	4,632	4,632	4,632	4,632
Transfer from Commodity Credit Corp.		450,000	825,000	1,025,000
Appropriation (interest on Treasury borrowing)			11,709	68,009
Retained earnings	—937,907	—1,476,925	—1,929,933	—2,361,555
Total Government equity	¹ 133,760	¹ 178,932	¹ 236,667	¹ 214,868

Analysis of changes in Government equity:

Non-interest-bearing capital:			
Start of year	500,000	500,000	500,000
End of year	500,000	500,000	500,000
Paid-in capital:			
Start of year	571,667	1,155,857	1,666,600
Transactions:			
Appropriation (premium subsidy)	134,190	124,034	228,523
Transfer from Commodity Credit Corporation	450,000	375,000	200,000
Redemption of debt (Treasury)			—75,000
Appropriation (interest on borrowing)		11,709	56,300
End of year	1,155,857	1,666,600	2,076,423
Total capital	1,655,857	2,166,600	2,576,423
Retained earnings:			
Start of year	—937,907	—1,476,925	—1,904,767
Transactions:			
Net income or loss (—) for the year	—539,018	—427,842	—456,788
Adjustments			
End of year	—1,476,925	—1,904,767	—2,361,555
Total Government equity (end of year)	² 178,932	² 261,833	² 214,868

¹ Reflects long-term notes payable to Treasury for borrowing. Includes \$113 million Treasury borrowing in fiscal year 1985. Also includes \$450 million CCC borrowing in fiscal year 1986, which have been added to the unobligated balance. In fiscal years 1987 and 1988 the unobligated balances include \$375 million and \$200 million, respectively.

² Includes \$450 million CCC borrowing in fiscal year 1986, which have been added to the unobligated balance. Also included in fiscal years 1987 and 1988 in the unobligated balances are \$375 million and \$200 million, respectively.

Object Classification (in thousands of dollars)

Identification code	12-4085-0-3-351	1986 actual	1987 est.	1988 est.
Insurance claims and indemnities:				
42.0 Government operations		304,656	98,549	74,923
42.0 Reinsurance		794,680	639,743	669,318
43.0 Interest and dividends		—390	56,300	86,300
92.0 Undistributed		—11,012	936	738
99.9 Total obligations		1,087,934	795,528	831,279

FEDERAL CROP INSURANCE CORPORATION FUND (Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identification code	12-4085-2-3-351	1986 actual	1987 est.	1988 est.
Program by activities:				
Operating expenses:				
00.01 Indemnities				—554
00.02 Interest				—86,300
00.03 Administrative and other expenses				41,215
01.01 Reinsurance losses, net				—4,953
10.00 Total obligations				—50,592
Financing:				
14.00 Offsetting collections from: Non-Federal sources				—88,328
24.98 Unobligated balance available, end of year: Fund balance				107,980
31.00 Redemption of debt				—75,000
39.00 Budget authority				—105,940
Budget authority:				
40.00 Appropriation (premium subsidy)				—49,640
40.00 Appropriation (interest)				—56,300
43.00 Appropriation (adjusted)				—105,940
Relation of obligations to outlays:				
71.00 Obligations incurred, net				—138,920
90.00 Outlays				—138,920

Legislation will be proposed to increase the producer's share of premium cost in order to phase out Federal payment of administrative expenses and premium subsidy over a 5-year period beginning in 1988.

Public enterprise funds—Continued

FEDERAL CROP INSURANCE CORPORATION FUND—Continued

Object Classification (in thousands of dollars)

Identification code	12-4085-2-3-351	1986 actual	1987 est.	1988 est.
	Personnel compensation:			
11.1	Full-time permanent.....			1,447
11.5	Other personnel compensation.....			26
11.9	Total personnel compensation.....			1,473
12.1	Personnel benefits: Civilian.....			279
13.0	Benefits for former personnel.....			2,188
21.0	Travel and transportation of persons.....			342
22.0	Transportation of things.....			17
23.2	Rental payments to others.....			67
23.3	Communications, utilities, and miscellaneous charges.....			104
24.0	Printing and reproduction.....			57
25.0	Other services.....			36,497
26.0	Supplies and materials.....			34
31.0	Equipment.....			40
	Insurance claims and indemnities:			
42.0	Government operations.....			—554
42.0	Reinsurance.....			—4,953
42.0	Interest and dividends.....			—86,300
92.0	Undistributed.....			117
99.9	Total obligations.....			—50,592

COMMODITY CREDIT CORPORATION

Federal Funds

General and special funds:

REIMBURSEMENT FOR NET REALIZED LOSSES

【To reimburse】 For reimbursement to the Commodity Credit Corporation for net realized losses sustained or anticipated, but not previously reimbursed, 【pursuant to】 such sums as may be necessary are available in this and subsequent years as authorized by the Act of August 17, 1961 (15 U.S.C. 713a-11, 713a-12) 【\$16,808,806,000, and in addition \$3,000,000,000 which shall be available only to the extent an official budget request is transmitted to the Congress, such funds to be available, together with other resources available to the Corporation, to finance the Corporation's programs and activities during fiscal year 1987: Provided, That of the foregoing amount, not to exceed the following amounts shall be available for the following programs: export guaranteed loan claims, \$683,350,000; conservation reserve program, \$700,000,000; export enhancement program, \$667,000,000; Federal crop insurance program, \$375,000,000; targeted export assistance program, \$325,000,000; storage facility loan program under section 4(h) of the Commodity Credit Corporation Charter Act, \$100,000,000; and interest payments to the United States Treasury, \$1,932,000,000】.

SHORT-TERM EXPORT CREDIT

The Commodity Credit Corporation shall make available not 【less】 more than \$5,000,000,000 in credit guarantees under its export credit guarantee program for short-term credit extended to finance the export sales of United States agricultural commodities and the products thereof, as authorized by section 1125(b) of the Food Security Act of 1985 (Public Law 99-198).

INTERMEDIATE EXPORT CREDIT

The Commodity Credit Corporation shall make available not 【less】 more than \$500,000,000 in credit guarantees under its export guarantee program for intermediate-term credit extended to finance the export sales of United States agricultural commodities and the products thereof, as authorized by section 1131(3)(B) of the Food Security Act of 1985 (Public Law 99-198). (*Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

REIMBURSEMENT TO COMMODITY CREDIT CORPORATION, NATIONAL WOOL ACT

Public enterprise funds:

COMMODITY CREDIT CORPORATION FUND*

*See Part II for additional information.

Program and Financing (in thousands of dollars)

Identification code	12-4336-0-3-351	1986 actual	1987 est.	1988 est.
	Program by activities:			
	Support and related programs:			
	Operating expenses:			
00.01	Commodity purchases and related inventory acquisitions.....	4,435,989	9,501,473	2,711,422
00.02	Storage, transportation, and other obligations not included above.....	1,204,061	2,264,412	2,825,209
00.03	Producer storage payments.....	342,248	840,633	663,716
00.04	Animal and plant disease eradication (APHIS).....	7,938		
	Direct producer payments:			
00.05	Feed grains.....	5,651,106	5,685,901	6,990,000
00.06	Wheat.....	2,721,109	1,750,500	2,588,000
00.07	Rice.....	483,791	358,200	604,300
00.08	Cotton.....	996,808	729,448	995,169
00.09	Dairy.....	489,605	578,541	222,551
	Conservation reserve program:			
00.11	Cost-share payments.....	12,429	686,695	
00.12	Technical assistance.....	12,263	13,305	
00.13	Operating expense.....	464,034	522,412	539,806
	Interest:			
00.14	Treasury.....	1,680,484	1,828,924	1,790,966
00.15	Other.....	826		
00.91	Total operating expenses.....	18,502,691	24,760,444	19,931,139
	Capital investment:			
	Direct loans:			
01.01	Storage facility.....	507	200	
01.02	Commodity.....	17,390,512	17,129,720	12,784,925
01.03	Guarantee claims.....	328,253	673,315	711,386
01.04	Purchase of administrative equipment.....	61,618	42,500	15,705
01.91	Total capital investment.....	17,780,890	17,845,735	13,512,016
01.92	Total support and related programs.....	36,283,581	42,606,179	33,443,155
	Special activities:			
	Operating expenses:			
02.01	Commodities transferred from support program and commodities procured.....	402,526	338,998	340,000
	Other operating expenses:			
02.02	Interest.....	4,005	2,951	3,353
02.03	Conservation reserve program payments.....			1,388,000
02.04	Other program and operating expenses.....	1,250,529	1,252,361	1,186,688
02.91	Total special activities.....	1,657,060	1,594,310	2,918,041
10.00	Total obligations.....	37,940,641	44,200,489	36,361,196
	Financing:			
	Offsetting collections from: Support and related programs:			
	Federal funds:			
11.00	Sales to special activities.....	—402,526	—338,998	—340,000
11.00	Interest revenue.....	—4,005	—2,951	—3,353
11.00	Other revenue.....	—2,753	—2,899	—2,899
	Non-Federal sources (62 Stat. 1070):			
14.00	Sales and other proceeds.....	—946,619	—1,180,525	—1,129,933
14.00	Interest revenue.....	—783,534	—152,567	—235,793
14.00	Other revenue.....	—975	—1,300	—1,400
14.00	Realization of assets.....	—262	—250	—250
14.00	Loans repaid.....	—5,723,264	—12,757,791	—9,272,478
14.00	Loan collateral forfeited.....	—5,583,358	—7,077,842	—6,679,161
	Repayments by importers:			
14.00	Short-term export credit sales program.....	—136,226	—66,826	—26,217
14.00	Intermediate export credit sales program.....	—2,070		
14.00	Export guarantee program.....	—77,851	—26,862	—27,255
14.00	Interest revenue.....	—10,265	—35,322	—99,774
	Special activities:			
	Federal funds:			
11.00	Reimbursements received.....	—60,350	—8,700	
11.00	Advance from foreign assistance programs.....	—1,243,294	—1,083,071	—905,596
11.00	Advance from conservation reserve program.....			—1,388,000

DEPARTMENT OF AGRICULTURE

COMMODITY CREDIT CORPORATION—Continued
Federal Funds—Continued

I-E33

14.00	Non-Federal sources (62 Stat. 1070)	— 378,697	— 371,300	— 380,000
22.98	Unobligated balance transferred, net: Fund balance	450,000	375,000	200,000
39.00	Budget authority	23,034,593	21,468,285	16,069,087
Budget authority:				
Current: Support and related programs:				
40.00	Appropriation	24,932,926	19,808,806	21,133,658
40.47	Portion applied to debt reduction	— 24,932,926	— 17,722,397	— 20,468,509
40.49	Portion applied to liquidate contract authority .....	.....	— 2,486,409	— 665,149
42.00	Transferred from other accounts .....	.....	400,000	.....
43.00	Appropriation (adjusted) .....	.....	.....	.....
Permanent: Special activities:				
60.00	Appropriation: Reimbursement to Commodity Credit Corporation, National Wool Act (permanent, indefinite, special fund)	109,365	122,689	131,239
Permanent: Support and related programs:				
67.10	Authority to borrow (15 U.S.C. 713a-4) ...	16,650,937	21,345,596	15,937,848
69.10	Contract authority (indefinite)	6,274,291	.....	.....
Relation of obligations to outlays:				
Support and related programs:				
71.00	Obligations incurred, net	22,609,874	20,962,046	15,624,642
Obligated balance, start of year:				
72.47	Authority to borrow	1,188,710	128,048	— 1,510,657
72.49	Contract authority	3,459,045	9,636,262	7,130,520
72.98	Fund balance	— 379,429	— 419,710	— 419,710
Obligated balance, end of year:				
74.47	Authority to borrow	— 128,048	1,510,657	6,063,550
74.49	Contract authority	— 9,636,262	— 7,130,520	— 6,487,603
74.98	Fund balance	419,710	419,710	419,710
77.00	Adjustments	8,184,914	.....	.....
Special activities:				
71.00	Obligations incurred, net	— 25,281	131,239	244,445
72.49	Obligated balance, start of year: Contract authority	152,053	249,127	249,127
74.49	Obligated balance, end of year: Contract authority	— 249,127	— 249,127	— 350,531
77.00	Adjustments	245,044	.....	.....
90.00	Total outlays	25,841,204	25,237,732	20,963,493

NOTES

Contingent liabilities, commitments and other obligations do not become charges against the statutory borrowing authority until they result in borrowing from Treasury. Only that portion of borrowing authority is available which has not been charged by actual borrowing.

Excludes \$1,388,000 thousand in 1988 for activities transferred to: Conservation Reserve Program, Agricultural Stabilization and Conservation Service. Comparable amounts for 1986 (\$23,146 thousand) and 1987 (\$700,000 thousand) are included above.

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dollars]

Enacted/requested	1986 actual	1987 est.	1988 est.
Budget authority	23,034,593	21,468,285	16,069,087
Outlays	25,841,204	25,237,732	20,963,493
Supplemental under existing legislation:			
Budget authority .....	.....	24,705	.....
Outlays .....	.....	24,705	.....
Proposed for later transmittal under proposed legislation:			
Budget authority .....	.....	.....	308,433
Outlays .....	.....	.....	308,433
Total:			
Budget authority	23,034,593	21,492,990	16,377,520
Outlays	25,841,204	25,262,437	21,271,926

Status of Unfunded Contract Authority (in thousands of dollars)

Identification code 12-4336-0-3-351	1986 actual	1987 est.	1988 est.
Unfunded balance, start of year	3,611,098	9,885,389	7,398,980
Contract authority	6,274,291	.....	.....
Appropriation to liquidate contract authority .....	.....	— 2,486,409	— 665,149
Unfunded balance, end of year	— 9,885,389	— 7,398,980	— 6,733,831

Status of Direct Loans (in thousands of dollars)

Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	802,594	826,569	812,740

1251 Repayments: Repayments and prepayments	— 138,296	— 66,826	— 26,217
1261 Adjustments: Capitalized interest	162,271	52,997	47,412
1290 Outstanding, end of year	826,569	812,740	833,935

COMMODITY LOANS

Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans to the public .....	.....	.....	.....
1131 Obligations exempt from limitation: Direct loans to the public	17,390,512	17,129,720	12,784,925
1150 Total direct loan obligations	17,390,512	17,129,720	12,784,925
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	12,233,221	18,494,205	15,866,858
1231 Disbursements: Direct loan disbursements	17,390,512	17,129,720	12,784,925
1251 Repayments: Repayments and prepayments	— 5,293,365	— 12,095,312	— 8,596,840
Adjustments:			
1262 Write-offs for default	— 1,206	— 62,972	— 62,972
1264 Other adjustments, net *	— 5,834,957	— 7,598,783	— 7,322,451
1290 Outstanding, end of year	18,494,205	15,866,858	12,669,520

STORAGE FACILITY LOANS

Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans to the public .....	.....	.....	.....
1131 Obligations exempt from limitation: Direct loans to the public	507	200	.....
1150 Total direct loan obligations	507	200	.....
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	397,658	174,228	32,890
1231 Disbursements: Direct loan disbursements	507	200	.....
1251 Repayments: Repayments and prepayments	— 223,937	— 141,538	— 32,348
1290 Outstanding, end of year	174,228	32,890	542

EXPORT GUARANTEE CLAIMS

Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans to the public .....	.....	.....	.....
1132 Obligations exempt from limitation: Defaulted guaranteed loan claims	328,253	673,315	711,386
1150 Total direct loan obligations	328,253	673,315	711,386
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1,670,815	2,113,096	2,878,408
1232 Disbursements: Disbursements for guaranteed loan claims	328,253	673,315	711,386
Repayments:			
1251 Repayments and prepayments	— 73,222	— 26,862	— 27,255
1252 Repayments of defaulted guaranteed loans	— 4,629	.....	.....
1261 Adjustments: Capitalized interest	191,879	118,859	113,842
1290 Outstanding, end of year	2,113,096	2,878,408	3,676,381

* This entry includes commodities received as the result of loan forfeitures valued at \$5.6, \$7.1, and \$6.7 billion for fiscal years 1986 through 1988, respectively. It also includes non-receipt of loan repayments for marketing loans and adjustments for loans to peanut associations.

Status of Guaranteed Loans (in thousands of dollars)

Identification code 12-4336-0-3-351	1986 actual	1987 est.	1988 est.
CCC EXPORT GUARANTEE PROGRAM			
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....	.....	.....	.....
2131 Guaranteed loan commitments exempt from limitation	2,502,716	5,500,000	5,500,000
2150 Total guaranteed loan commitments	2,502,716	5,500,000	5,500,000

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

Status of Guaranteed Loans (in thousands of dollars)—Continued

Identification code	12-4336-0-3-351	1986 actual	1987 est.	1988 est.
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	5,093,986	3,609,378	7,037,605
2231	Disbursements of new guaranteed loans	1,595,221	5,500,000	5,500,000
2251	Repayments and prepayments	-2,762,500	-1,490,719	-2,155,097
2261	Adjustments: Terminations for default that result in direct loans	-317,329	-581,054	-600,163
2290	Outstanding, end of year	3,609,378	7,037,605	9,782,345
MEMORANDUM				
2299	U.S. contingent liability for guaranteed loans outstanding, end of year	3,521,751	6,896,853	9,586,698

The Corporation was created to stabilize, support, and protect farm income and prices, to help maintain balanced and adequate supplies of agricultural commodities, their products, foods, feeds, and fibers, and to help in their orderly distribution (15 U.S.C. 714-714p). It may make available materials and facilities required in connection with the production and marketing of agricultural commodities and may be used to administer and to temporarily finance numerous special activities.

The Corporation's capital stock of \$100 million is held by the United States. Under present law, up to \$25 billion may be borrowed from the U.S. Treasury to finance operations.

The 1988 estimate includes savings from improving the control and timing of disbursements and handling of cash collections as part of continuing budget management reforms. Permanent indefinite appropriation authority is requested to cover all net realized losses. Appropriations to the Corporation for net realized losses have no effect on budget authority.

Budget assumptions.—The following general assumptions form the basis for the Corporation's 1987 and 1988 budget estimates: (a) National income will rise both in 1987 and 1988 from the present level; (b) 1987 crop production will rise from 1986 crop levels, except for corn and grain sorghum; (c) generally, exports of agricultural commodities in 1988 are expected to be slightly higher than 1987 levels; (d) yields for the 1987 crops are based on recent averages adjusted for trend; (e) acreage allotments and marketing quotas will be in effect for the 1987 crops of certain kinds of tobacco; (f) poundage quotas will be in effect for the 1987 crop of peanuts.

It is difficult to forecast with accuracy requirements for the year ending September 30, 1988, since the projections are subject to complex and unpredictable factors such as weather, other factors which affect the volume of production of crops not yet planted, feed and food needs here and overseas, and available dollar exchange.

PROGRAMS OF THE CORPORATION

The basic functions of the Corporation include the following programs for which appropriations are made for net realized losses sustained:

Program	Estimate (in thousands of dollars)		
	Gross obligations	Net outlays 1988	Net realized loss for year
Short-term and intermediate export credit sales		-26,217	
Export Guarantee Program	711,386	641,721	-42,410
Commodity loans	12,784,925	5,323,484	62,972
Storage facilities		-32,348	
Supply	285	45	50
Feed grain payments	6,990,000	5,364,500	7,781,500
Wheat payments	2,588,000	2,236,000	2,956,000
Rice payments	604,169	402,500	660,300
Cotton payments	995,169	632,625	1,007,069
Dairy	222,551	222,551	222,551
Other support and related	6,168,464	2,962,492	8,155,756
Other items not distributed by program:			
Interest	1,790,966	1,510,539	1,452,046
All other	587,109	1,582,560	591,068
Total	33,443,155	20,820,452	22,846,902

Price support and related stabilization programs.—The Corporation conducts programs to support farm income and prices and stabilize the market for agricultural commodities. Price support is provided to producers of agricultural commodities through loans, purchases, payments, and other means. This is done mainly under the Commodity Credit Corporation Charter Act, as amended (15 U.S.C. 714 et seq.), the Agricultural Act of 1949, as amended (7 U.S.C. 1421 et seq.), and the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1281 et seq.).

Price support is mandatory for the basic commodities—corn, cotton, wheat, rice, peanuts, and tobacco. The Agricultural Act of 1949, as amended, also requires support of the following nonbasic commodities: honey, milk, barley, oats, rye, grain sorghum, sugar and soybeans. The National Wool Act of 1954, as amended (7 U.S.C. 1781-87), requires support for wool and mohair. Support for other nonbasic commodities is discretionary. The support program may also include operations to remove and dispose of surplus agricultural commodities in order to stabilize prices at levels not in excess of those permissible by law.

The principal methods of providing support are loans to and purchases from producers. With limited exceptions, loans made on commodities are nonrecourse. The commodities serve as collateral for the loan and on maturity the producer may deliver or forfeit such collateral to satisfy the loan obligation without further payment.

Direct purchases are also made from processors as well as producers, depending on the commodity involved. Also, special purchases are made under various laws for the removal of surpluses; for example, the Act of August 19, 1958, as amended (7 U.S.C. 1431 note), and section 416 of the Agricultural Act of 1949, as amended (7 U.S.C. 1431).

Set-aside program and acreage limitation program.—The Agricultural Act of 1949, as amended, authorizes the Secretary to establish, through the Corporation, acreage limitation programs for the 1986 through 1990 crops of upland cotton, rice, and ELS cotton. In addition, the Secretary is authorized to implement a set-aside or acreage limitation program for the 1986 through 1990 crops of wheat and feed grains.

Land diversion payments.—The Agricultural Act of 1949, as amended, provides that, to assist in adjusting the acreage of commodities to desirable goals, the Secretary is required, with respect to the 1986 crops of wheat

and feed grains if certain stock levels exist on the first day of the marketing years for such crop, to make land diversion payments in the form of an "in-kind" payment and may, with respect to the 1987 and subsequent crops of wheat, feed grains, and the 1986 through 1990 crops of upland cotton, ELS cotton, and rice, make land diversion payments, through the Corporation, to producers who devote to approved conservation uses acreages of cropland in addition to those required to be so devoted under the acreage limitation or set-aside programs. For the 1987 and subsequent crops, diversion payments may be paid in cash or on a non-cash basis, including payments in the form of commodities or commodity certificates that may be exchanged for commodities owned by the Corporation.

Producer eligibility.—Producers of feed grains and wheat must comply with acreage limitation provisions or acreage set-aside provisions, and normal crop acreage (NCA) requirements, if in effect, in order to be eligible for price support loans and purchases and deficiency payments. Producers of rice must comply with acreage limitation provisions, if in effect, in order to be eligible for price support loans and purchases and deficiency payments. Producers of cotton must comply with acreage limitation provisions, if in effect, in order to be eligible for price support loans and deficiency payments.

Deficiency payments.—The Agricultural Act of 1949, as amended, establishes: (1) minimum established "target" prices for the 1986 through 1990 crops of the following commodities—wheat, corn, upland cotton, rice, and ELS cotton; (2) minimum price support loan and purchase levels for wheat, feed grains, and rice; and (3) minimum price support loan levels for upland cotton and ELS cotton. Deficiency payments for each of the commodities are required when the target price for the commodity exceeds the national average market price or the price support loan level, whichever is higher. The target prices for grain sorghum and oats and, if designated by the Secretary, barley, are established at a level which is fair and reasonable in relation to the target prices established for corn. These payments may be paid by cash or on a non-cash basis, including payments in the form of commodities or commodity certificates that may be exchanged for commodities owned by CCC.

Marketing loan and certificate programs.—The Agricultural Act of 1949, as amended, authorizes a mandatory marketing loan program for each of the 1986 through 1990 crops of rice and upland cotton and a discretionary marketing loan program for each of the 1986 through 1990 crops of wheat and feed grains. Under a marketing loan program, a producer may repay a price support loan at a level which is lower than the original loan rate. The Agricultural Act of 1949, as amended, also provides that the Secretary may allow honey producers to repay price support loans at a level which is lower than the original loan rate. The Agricultural Act of 1949, as amended, provides for payments, in the form of negotiable marketing certificates, to persons holding free stocks of upland cotton as of August 1, 1986, and to first handlers of upland cotton (persons regularly engaged in buying or selling upland cotton). The Food Security Act of 1985, as amended,

provides for a marketing certificate program for rice producers and sellers.

Grain reserves.—The Agricultural Act of 1949, as amended, authorizes a producer-owned grain reserve program for wheat and feed grains that provides 3-year extended loans to producers. Producers receive annual storage payments under the contract. Program provisions establish when interest is charged. Storage payments cease and producers may repay their loans when market prices reach the higher of 140 percent of the nonrecourse loan rate for the commodity or the established price for the commodity. Under section 5 of the Commodity Credit Corporation Charter Act, as amended, a Special Producer Storage Loan Program is conducted which allows producers with maturing producer-owned grain reserve loans to pledge the collateral securing such loans as collateral for extended storage loans for a period determined by the Secretary.

Dairy.—The Agricultural Act of 1949, as amended, provides for a revised dairy price support program. The support price is \$11.35 per hundredweight for the period January 1, 1987 through September 30, 1987. During the period October 1, 1987 through December 31, 1990, the support price will be \$11.10 per hundredweight. The Secretary will, on January 1 of calendar years 1988, 1989, and 1990, reduce the support price in effect by 50 cents per hundredweight if estimates of CCC purchases of milk or milk products for the twelve-month period beginning on such date is in excess of five billion pounds milk equivalent. However, the price support level may not be reduced unless the milk production termination program implemented for the 18-month period of April 1, 1986 through September 30, 1987 achieved a reduction in production of at least 12 billion pounds by program participants, or the Secretary certifies to Congress that reasonable contract offers were extended but that such offers were not accepted by a sufficient number of producers to achieve the 12 billion pound reduction. In addition, if the Secretary estimates on January 1 in any of the calendar years 1988, 1989, and 1990 that the level of purchases of milk and milk products by CCC for such calendar year will not exceed 2.5 billion pounds, the Secretary shall increase the support price in effect on such date by 50 cents per hundredweight. Under the production termination program, producers may submit bids for payments by CCC in return for the full termination of production by such producers. To encourage the adjustment of milk production to levels consistent with national demand, and finance the production termination program, the Secretary is required to provide for a reduction of 40 cents per hundredweight in the support price received on all milk marketed for commercial use by producers to be made during the period April 1, 1986 through December 31, 1986 and 25 cents per hundredweight for the period January 1, 1987 through September 30, 1987.

Storage facilities.—Pursuant to sections 4(h) and 5(b) of the Commodity Credit Corporation Charter Act, as amended, the Corporation has authority to make secured loans for the purchase, construction, or remodeling of facilities for storage and care of commodities on the farm.

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

Conservation Reserve Program.—The Food Security Act of 1985, as amended, provides that the Secretary shall carry out a Conservation Reserve Program by entering into 10- to 15-year contracts with owners or operators of highly erodible cropland to assist them in conserving and using the soil and water resources of their farms. Non-erodible lands which pose an off-farm environmental threat or cause productivity degradation due to soil salinity may also be included. In return for placing land in the reserve, farmers receive cost-share and rental payments, as well as technical assistance from USDA agencies. Annual rental payments may be paid in cash or on a non-cash basis, including payments in the form of commodities or commodity certificates that may be exchanged for commodities owned by the Corporation. Total acres to be included in the reserve by the end of fiscal year 1988 are 25 million. The facilities, services and funds of CCC are being used to carry out the program in fiscal year 1986 and fiscal year 1987. The services and facilities of the Corporation may be used in subsequent years, but appropriations must be provided in advance to carry out the program. Beginning in fiscal year 1988, a separate appropriation for advances to CCC is being requested to carry out the program. See "Special Activities" section.

Payment limitations.—The Food Security Act of 1985, as amended, provides that the total amount of deficiency and land diversion payments, excluding any deficiency payment received as the result of a reduction of the wheat or feed grain price support loan level, which a person is entitled to receive under one or more of the annual programs for feed grains, wheat, upland cotton, ELS cotton, and rice for each of the 1987 through 1990 crops of these commodities shall not exceed \$50 thousand. For each of the 1987 through 1990 crops, the total amount of: (1) with respect to wheat, feed grains, upland cotton, ELS cotton, rice, and honey, deficiency payments; land diversion payments; disaster payments; loan deficiency payments; inventory reduction payments; and gains realized from a marketing loan repayment; and (2) with respect to other commodities, gains realized by a producer from repaying a loan at less than the original loan level that a person shall be entitled to receive under one or more of the annual programs for such commodities shall not exceed \$250 thousand, except as otherwise may be authorized by the Secretary. Annual rental payments made under the Conservation Reserve Program are limited to \$50,000 per person.

Loan limitations.—The total amount of loans on a crop of honey which a person may have outstanding at any one time under the annual program established for a crop of honey may not exceed \$250,000, less the amount of gains realized by a producer from repaying a honey loan at less than the original loan level.

Supply and foreign purchase.—The Corporation can procure from domestic and foreign sources food, agricultural commodities, and products and related materials to supply the needs of Federal agencies, foreign governments, and private and international relief agencies,

under section 5 (b) and (c) of the Commodity Credit Corporation Charter Act, as amended.

Commodity export.—The Corporation promotes the export of agricultural commodities and products through sales for dollars or foreign currency, payments, extension of credit, assumption of certain risks, and conduct of other operations with respect to the exportation of commodities. Such commodities and products may be those held in private trade channels as well as those acquired by the Corporation. These programs are carried out under the Corporation's charter and other specific legislation.

Foreign donations.—Under the authority of section 416(b) of the Agricultural Act of 1949, as amended, the Corporation may furnish eligible commodities for carrying out programs of assistance in developing and friendly countries and may pay costs associated with making the commodities available. Such commodities may also be used to carry out the Food for Progress Act of 1985 or furnished in connection with (1) sales under title I of the Agricultural Trade Development Act of 1954, as amended; (2) agricultural export bonus or promotion programs; or (3) agreements by recipient countries to acquire additional agricultural commodities from the United States through commercial arrangements.

Loan operations.—The following table reflects commodity and storage facility loan operations of the Corporation (in thousands of dollars):

Item	1986 actual	1987 est.	1988 est.
Loans outstanding, gross, start of year:			
Commodity Credit Corporation	12,630,879	18,668,433	15,899,748
Additional loans made	17,391,019	17,129,920	12,784,925
Deduct:			
Loans repaid	5,723,264	12,757,791	9,272,478
Acquisition of loan collateral	5,583,358	7,077,842	6,679,161
Write-offs	46,843	62,972	62,972
Total loans outstanding, gross, end of year	18,668,433	15,899,748	12,670,062
Loans outstanding, gross, end of year:			
Commodity Credit Corporation	18,668,433	15,899,748	12,670,062
Allowance for losses	-361,951	-310,990	-248,323
Loans receivable, net (support and storage facilities)	18,306,482	15,588,758	12,421,739

Inventory operations.—The following table reflects the inventory operations applicable to the preceding programs (in thousands of dollars):

AGRICULTURAL COMMODITIES			
Item	1986 actual	1987 est.	1988 est.
On hand, start of year, gross	6,920,924	11,049,610	11,734,545
Acquisitions:			
Forfeiture of loan collateral	5,583,358	7,077,842	6,679,161
Excess of collateral acquired over loans canceled	133,267	182,515	243,451
Purchases	4,195,112	9,211,905	2,377,281
Transfers and exchanges, net	-13,450		-5,366
Carrying charges:			
Charges to inventory	121,060	107,053	96,056
Storage and handling	(712,940)	(1,299,581)	(1,762,628)
Transportation	(179,378)	(187,859)	(223,697)
Total acquisitions	10,019,347	16,579,315	9,390,583
Dispositions:			
Domestic donations to:			
Families	720,948	792,188	773,195
Institutions	270,295	223,092	186,396
School lunch	328,165	399,785	332,116
Total domestic donations	1,319,408	1,415,065	1,291,707
Export donations	399,003	271,986	202,643

Special programs: Title II, Public Law 480.....	402,526	338,998	340,000
Other sales.....	2,125,538	9,068,180	2,383,558
Net loss or gain (—) on sales and transfers.....	1,644,186	4,800,151	2,642,129
Total sales and transfers.....	4,172,250	14,207,329	5,365,687
Total dispositions.....	5,890,661	15,894,380	6,860,037
On hand, end of year, gross.....	11,049,610	11,734,545	14,265,091
Allowance for losses.....	—4,108,324	—4,362,904	—5,303,761
On hand, end of year, net.....	6,941,286	7,371,641	8,961,330

Other data.—The following table reflects other data which is applicable to price support and related programs:

DATA ON SUPPORT AND RELATED PROGRAMS

(In thousands of dollars)			
Item	1986 actual	1987 est.	1988 est.
Loans made.....	17,391,019	17,129,920	12,784,925
Loans repaid.....	5,723,264	12,757,791	9,272,478
Loan collateral forfeited.....	5,583,358	7,077,842	6,679,161
Loans outstanding, end of year.....	18,668,433	15,899,748	12,670,062
Acquisitions.....	10,019,347	16,579,315	9,390,583
Cost of commodities sold.....	4,172,250	14,207,329	5,365,687
Cost of commodities donated.....	1,718,411	1,687,051	1,494,350
Inventory, end of year.....	11,049,610	11,734,545	14,265,091
Investment in loans and inventory, end of year.....	29,718,043	27,634,293	26,935,153
Direct producer payments.....	6,758,198	6,223,119	8,858,176
Net expenditures.....	25,718,514	25,106,493	20,820,452
Realized losses.....	19,998,006	27,601,562	22,846,902

Operating expenses.—The Corporation carries out its functions through utilization of employees and facilities of other Government agencies. Administrative expenses are incurred for the services of: the Agricultural Stabilization and Conservation Service, General Sales Manager, and other agencies of the Department engaged in the Corporation's activities; and the General Accounting Office for audit. Additional expenses are incurred for ASCS county offices for work related to programs of the Corporation, other ASCS expenses offset by revenue, custodian, and agency expenses of the Federal Reserve banks and lending agencies, and miscellaneous costs.

Expenses are incurred for acquisition, operation, maintenance, improvement, or disposition of property which the Corporation owns or in which it has an interest. These expenses are treated as program expenses. Such program expenses include inspection, classing and grading work performed on a fee basis by Federal employees or Federal- or State-licensed inspectors; work relating to Commodity Credit Corporation programs performed on a contract or fee basis by Agricultural Stabilization and Conservation Service; and special services performed by other Federal agencies within and outside this Department. Most of these general expenses, including storage and handling, transportation, inspection, classing and grading and producer storage payments, are included in program costs. They are shown in the program and financing schedule in the entries entitled "Storage, transportation, and other obligations not included above," and "Producer storage payments."

The Corporation receives reimbursement for grain requisitioned pursuant to Public Law 87-152 (7 U.S.C. 447-449) by the States from Corporation stocks to feed resident wildlife threatened with starvation through the appropriation reimbursement for net realized losses. There have been no requisitions in recent years, however.

SPECIAL ACTIVITIES

These activities are carried out under authority of section 5(g) of the Corporation's charter act and specific statutory authorizations or directives with respect thereto which are currently in effect or which may subsequently be enacted.

A summary of such current activities not included under other designated activities is as follows (in thousands of dollars):

Item	1988 estimate	
	Gross obligations	Outlays (reimburseable)
(1) Financing sales of agricultural commodities for convertible foreign currencies and for dollars on credit terms.....	852,000	472,000
(2) Commodities supplied in connection with dispositions abroad.....	535,000	535,000
(3) National Wool Act.....	143,041	143,041
(4) Conservation Reserve Program.....	1,388,000	1,388,000
Total.....	2,918,041	2,538,041

The Corporation receives appropriations or reimbursement for cost of these activities as described under each.

Activities currently being carried out are as follows (see Foreign Assistance programs for details of items (1) and (2) and see Conservation Reserve Program for details of item (4)):

(1) *Financing sales of agricultural commodities for convertible foreign currencies and for dollars on credit terms (titles I and III, Public Law 480).*

(2) *Commodities supplied in connection with dispositions abroad (title II, Public Law 480).*

(3) *National Wool Act.*—Under the National Wool Act of 1954, as amended, support of prices of wool and mohair is mandatory. The Corporation makes payments to producers in order to bring the national average price received by all producers up to the support price required under the act.

(4) *Conservation Reserve Program.*—The Food Security Act of 1985, as amended, provides that the Secretary shall carry out a Conservation Reserve Program by entering into 10- to 15-year contracts with owners and operators of highly erodible cropland to assist them in conserving and using the soil and water resources of their farms. In return for placing land in the reserve, farmers receive cost-share and rental payments, as well as technical assistance from USDA agencies. Beginning in fiscal year 1988, a separate appropriation for advance to CCC is being requested to carry out the program.

COST OF THE NATIONAL WOOL ACT

(In thousands of dollars)			
Item	1986 actual	1987 est.	1988 est.
Marketings on which payments made:			
Shorn wool (thousand pounds).....	85,687	76,630	78,180
Unshorn lambs (thousand cwts).....	4,622	4,000	4,200
Mohair (thousand pounds).....	13,036	14,210	15,490
Amount of payments:			
Shorn wool.....	84,973	82,800	88,300
Unshorn lambs.....	18,873	17,300	19,000
Mohair.....	12,650	26,000	30,000
Promotional and advertising program ¹ (non-add).....	(4,783)	(6,437)	(6,648)
Total payments.....	116,496	126,000	137,000
Administrative expense.....	2,188	2,188	2,188

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

COST OF THE NATIONAL WOOL ACT—Continued

(In thousands of dollars)

Item	1986 actual	1987 est.	1988 est.
Interest expense.....	4,005	2,951	3,353
Total.....	122,689	131,239	143,041

¹ Deductions from producer payments for promotional advertising and selected marketing development activities.

Total payments made under the National Wool Act cannot at any time exceed an amount equal to 70 percent of the accumulated totals, as of the same date, of the gross receipts from import duties collected on and after January 1, 1953, on wool and wool manufactures. Actual or estimated payments compared with this limitation are as follows (in thousands of dollars):

Item	1986 actual	1987 est.	1988 est.
70% of customs receipts on wool and wool manufactures, cumulative from Jan. 1, 1953, to end of preceding calendar year.....	3,471,697	3,762,897	4,057,597
Cumulative incentive payments on marketings to end of preceding calendar year.....	1,653,156	1,779,256	1,916,756
Balance of limitation available for payments in succeeding marketing years.....	1,818,541	1,983,641	2,140,841

Funds of the Corporation are used to carry on this program. For the purpose of reimbursing the Corporation, section 705 of the act appropriates each fiscal year an amount equal to amounts expended by the Corporation during the preceding year and to amounts expended in prior fiscal years not previously reimbursed, but not to exceed an amount equal to 70 percent of the gross receipts from duties collected on wool and wool manufactures during the calendar year preceding the fiscal year.

Estimated costs and appropriations to the Corporation are indicated in the following table (in thousands of dollars):

Item	1986 actual	1987 est.	1988 est.
Due start of year.....	109,365	122,689	131,239
Costs for year:			
Program.....	118,684	128,288	139,688
Interest.....	4,005	2,951	3,353
Subtotal.....	122,689	131,239	143,041
Total due.....	232,054	253,928	274,280
Appropriations to Commodity Credit Corporation for the year.....	109,365	122,689	131,239
Due end of year.....	122,689	131,239	143,041

FINANCING

Borrowing authority.—The Corporation has an authorized capital stock of \$100 million held by the United States and currently is authorized to borrow up to \$25 billion. The Budget include proposed legislation to increase the limit on outstanding borrowing to \$40 billion.

Funds are borrowed from Treasury and may also be borrowed from private lending agencies and others. The Corporation reserves a sufficient amount of its borrowing authority to purchase at any time all notes and other obligations evidencing loans made by such agencies and others. All bonds, notes, debentures, and similar obligations issued by the Corporation are subject to approval by the Secretary of the Treasury as required by the Act of March 8, 1938 (15 U.S.C. 713a-4).

Interest on borrowings from the Treasury (and on capital stock) is paid at a rate based upon the average interest rate of all outstanding marketable obligations (of comparable maturity date) of the United States as of the preceding month. Interest is also paid on other notes and obligations at a rate prescribed by the Corporation and approved by the Secretary of Treasury.

The Department of Agriculture and Related Agencies Appropriation Act, 1966, made provision for terminating interest after June 30, 1964 on the portion of the Corporation's borrowings from the Treasury equal to the unreimbursed realized losses recorded on the books of the Corporation after the end of the fiscal year in which such losses are realized.

POSITION WITH RESPECT TO BORROWING AUTHORITY, END OF YEAR

Item	1986 actual	1987 est.	1988 est.
Statutory borrowing authority.....	25,000,000	25,000,000	25,000,000
Deduct: Borrowings from Treasury.....	24,871,952	23,500,000	23,500,000
Total statutory borrowing authority in use.....	24,871,952	23,500,000	23,500,000
Net statutory borrowing authority available.....	128,048	¹ 1,500,000	1,500,000

¹ Assumes enactment of \$6,553,189,000 supplemental for reimbursement of CCC realized losses.

Note.—Accounts payable, accrued liabilities and other outstanding obligations not reflected on this table do not become charges against the statutory borrowing authority until they result in borrowings from the Treasury.

Contract authority.—Price support and other programs required by statute may result in the Corporation incurring obligations in excess of available funds and borrowing authority. Such obligations are liquidated from subsequent appropriations and other funds which may become available to the Corporation. Any increase in obligations in excess of available fund resources is reported as contract authority in the year involved; a decrease is reported as the application of appropriations and other funds to liquidate the authority.

Appropriations.—Under section 2 of Public Law 87-155 (15 U.S.C. 713a-11), annual appropriations are authorized for each fiscal year to reimburse the Corporation for net realized losses incurred as of the close of each year.

The special activities are financed as indicated in the program descriptions above. In addition to certain reimbursements from other agencies, appropriations are made for the National Wool Act (see above) and for foreign assistance programs.

Deficit.—The net realized losses of the Corporation have previously been reimbursed as follows (in thousands of dollars):

SUPPORT AND RELATED PROGRAMS

Realized losses, 1933 to 1986, inclusive.....	139,876,659
Reimbursements by the Treasury:	
Reimbursements of realized losses:	
Appropriations (46 times).....	134,313,850
Note cancellations (6 times).....	2,697,807
Less dividends paid to Treasury (4 times).....	—138,209
Total reimbursements for net realized losses.....	136,873,448
Other reimbursements:	
Appropriations (2 times).....	541,916
Note cancellation (1 time).....	56,239
Total other reimbursements.....	598,155
Total.....	137,471,603
Realized deficit as of September 30, 1986, support and related programs.....	2,405,056

SPECIAL ACTIVITIES

Realized losses, 1948 to 1986, inclusive.....	42,010,689
Excess amounts appropriated to reimburse cost of special activities.....	710,809
Reimbursements by the Treasury:	
Appropriations (40 times).....	42,028,686
Note cancellations (4 times).....	536,518
Other reimbursements: Sale proceeds (5 times).....	33,605
Total reimbursements.....	42,598,809
Realized deficit as of September 30, 1986, special activities.....	122,689

Capital and deficit, special activities.—Advances to the Corporation in excess of costs incurred, and costs incurred in excess of advances received are shown in the following table (in thousands of dollars):

Excess of funds held by CCC

	1985 actual	1986 actual	1987 est.	1988 est.
Foreign assistance programs: Public Law 480:				
Titles I and III: Sale of agricultural commodities for foreign currencies and for dollars on credit terms.....	139,102	344,014	344,014	301,610
Title II: Commodities supplied in connection with dispositions abroad.....	423,737	366,795	366,795	366,795
Total.....	562,839	710,809	710,809	668,405

Deficit requiring subsequent funds

Deficit financed by CCC or excess funds held (—) (nonadd).....	—562,839	—710,809	—710,809	—668,405
Increase or decrease (—) in amount owed by general fund for foreign assistance programs (nonadd).....	—23,899	—147,970		42,404
Other programs: National Wool Act.....	109,365	122,689	131,239	143,041
Total.....	109,365	122,689	131,139	143,041

Revenue and Expense (in thousands of dollars)

	1986 actual	1987 est.	1988 est.
Support and related programs:			
Revenue.....	3,643,097	10,107,627	3,139,187
Expense.....	23,641,103	37,709,189	25,986,089
Net realized losses.....	—19,998,006	—27,601,562	—22,846,902
Increase (—) or decrease in provisions for losses (unrealized):			
On commodities for sale.....	—252,256	—254,580	—940,857
On loans receivable.....	—204,232	50,961	62,668
On accounts receivable.....	—61,891	—402,711	—402,700
Net loss for the year, support and related programs.....	—20,516,385	—28,207,892	—24,127,791
Special activities:			
Revenue.....	439,047	380,000	380,000
Received from appropriations: Decrease in unearned receipts.....	—147,970		42,404
Earned revenue.....	291,077	380,000	422,404
Expense.....	1,657,060	1,594,310	1,530,041
Net realized loss, special activities.....	—1,365,983	—1,214,310	—1,107,637
Net loss for the year.....	—21,882,368	—29,422,202	—25,235,428

Financial Condition (in thousands of dollars)

	1985 actual	1986 actual	1987 est.	1988 est.
Assets:				
Drawing account with Treasury.....	—379,429	—419,710	—419,710	—419,710
Accounts receivable: Support and related programs (net of provisions for losses).....	1,943,229	1,234,247	1,669,338	2,266,638
Selected assets: Support and related programs:				
Agricultural commodities for sale, net of provision for losses.....	3,064,856	6,941,286	7,371,641	8,961,330

Advances to producers.....	136,145	279,138		
Deferred and undistributed charges.....	310,302	250,021	1,002,069	1,002,069
Loans receivable, guarantee claims re-scheduled.....	632,829	1,950,897	2,878,408	3,676,381
Interest in amounts due from foreign governments and private trade entities under Public Law 480.....	10,315,409	10,917,794	11,573,698	12,162,908
Loans receivable, net of provision for losses:				
Commodity and storage facility loans (held by Commodity Credit Corporation).....	12,473,160	18,306,482	15,588,758	12,421,739
Export credit sales programs.....	802,594	826,569	812,740	833,935
Loans to government agencies.....		450,000	825,000	1,025,000
Fixed assets, net.....	6,618	76,315	96,659	88,151
Total assets.....	29,305,713	40,813,039	41,398,601	42,018,441

Liabilities:

Current liabilities:

Support and related programs.....	6,122,077	11,364,469	14,420,526	17,499,495
Deferred interest in amounts due from foreign governments and private trade entities under Public Law 480.....	10,315,409	10,917,794	11,573,698	12,162,908
Debt issued under borrowing authority: Borrowing from Treasury.....	23,811,290	24,871,952	23,500,000	23,500,000
Total liabilities.....	40,248,776	47,154,215	49,494,224	53,162,403

Government equity:

Obligations other than liabilities:

Support and related programs:				
Other commitments.....	144,392	240,006	89,159	102,035
Special activities: Letters of commitment for Public Law 480.....	152,053	249,127	268,460	246,228
Total obligations other than liabilities.....	296,445	489,133	357,619	348,263
Unobligated balance.....	356,931			
Unfinanced budget authority.....	—5,075,508	—6,830,309	—8,453,242	—11,492,225
Invested capital.....	—6,520,931			
Total Government equity.....	—10,943,063	—6,341,176	—8,095,623	—11,143,962

Analysis of changes in Government equity:

Support and related programs: Interest-bearing capital (capital stock balance).....	100,000	100,000	100,000
Special activities: Non-interest-bearing capital:			
Start of year.....	562,839	710,809	710,809
Change in unearned receipts from appropriation.....	147,970		—42,404
End of year.....	710,809	710,809	668,405
Total capital, end of year.....	810,809	810,809	768,405
Support and related programs: Analysis of deficit:			
Deficit: Start of year.....	—11,445,837	—7,029,296	—8,775,193
Net loss for the year.....	—20,516,385	—28,207,892	—24,127,791
Appropriations (net): Reimbursement for net realized losses.....	24,932,926	26,461,995	21,133,658
Deficit: End of year:			
Realized.....	—2,405,056	—3,544,623	—5,257,867
Unrealized.....	—4,624,240	—5,230,570	—6,511,459
Total deficit, end of year, support and related programs.....	—7,029,296	—8,775,193	—11,769,326
Special activities:			
Analysis of deficit:			
Deficit, start of year, realized.....	—109,365	—122,689	—131,239
Net loss for the year.....	—1,365,983	—1,214,310	—1,107,637
Appropriation: National Wool Act.....	109,365	122,689	131,239
Advances from foreign assistance programs.....	1,243,294	1,083,071	964,596
Deficit, end of year: Realized, special activities.....	—122,689	—131,239	—143,041
Total deficit, Commodity Credit Corporation.....	—7,151,985	—8,906,432	—11,912,367
Total Government equity (end of year).....	—6,341,176	—8,095,623	—11,143,962

Note.—In addition to obligations other than liabilities, the Corporation does not reflect in its accounts claims by the Corporation on which adequate proof has not been established.

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

Object Classification (in thousands of dollars)

Identification code	12-4336-0-3-351	1986 actual	1987 est.	1988 est.
22.0	Transportation of things.....	579,245	571,132	594,007
25.0	Other services.....	749,848	1,226,172	1,308,268
25.0	Other services (storage and handling).....	1,055,188	2,140,214	2,426,344
	Supplies and materials: Cost of commodities sold or donated:			
26.0	Foreign assistance programs.....	1,162,621	1,155,198	1,089,300
26.0	Other.....	4,443,252	9,514,778	4,099,422
31.0	Equipment.....	61,618	42,500	15,705
33.0	Investments and loans.....	17,719,272	17,803,235	13,496,311
41.0	Grants, subsidies, and contributions.....	10,484,282	9,915,385	11,537,520
43.0	Interest and dividends.....	1,685,315	1,831,875	1,794,319
99.9	Total obligations.....	37,940,641	44,200,489	36,361,196

COMMODITY CREDIT CORPORATION FUND

(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identification code	12-4336-2-3-351	1986 actual	1987 est.	1988 est.
Program by activities:				
Operating expenses:				
00.01	Commodity purchase and related inventory acquisitions.....			480,000
00.02	Storage, transportation, and other obligations not included above.....			—30,000
00.14	Interest: Treasury.....			—261
00.91	Total operating expenses.....			449,739
01.03	Capital investment: Guarantee claims.....			—8,716
01.91	Total capital investment.....			—8,716
01.92	Total support and related programs.....			441,023
10.00	Total obligations.....			441,023
Financing:				
14.00	Offsetting collections from: Non-Federal sources: Sales and other proceeds.....			—132,590
47.10	Budget authority (authority to borrow).....			308,433
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....			308,433
Obligated balance, end of year:				
74.47	Authority to borrow.....			308,433
74.49	Contract authority.....			—308,433
90.00	Outlays.....			308,433

Status of Direct Loans (in thousands of dollars)

CCC GUARANTEE CLAIMS

Position with respect to appropriation act limitation on obligations:

1111	Limitation on direct loans to the public.....			
1132	Obligation exempt from limitation: Defaulted guaranteed loan claims.....			
1150	Total direct loan obligations.....			—8,716

Cumulative balance of direct loans outstanding:

1232	Disbursements for guaranteed loan claims.....			—8,716
1290	Outstanding, end of year.....			—8,716

Status of Guaranteed Loans (in thousands of dollars)

EXPORT GUARANTEE PROGRAMS

GUARANTEED LOANS

Position with respect to appropriation act limitation on commitments:

2111	Limitation on guaranteed loans made by private lenders.....			
2131	Guaranteed loan commitments exempt from limitation.....			—2,000,000
2150	Total guaranteed loan commitments.....			—2,000,000

Cumulative balance of guaranteed loans outstanding:

2231	Disbursements of new guaranteed loans.....			
2290	Outstanding, end of year.....			—2,000,000

MEMORANDUM

2299	U.S. contingent liability for guaranteed loans outstanding, end of year.....			—1,960,000
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Legislation will be developed to modify the current provisions of the CCC price support and related programs. Included among the proposals being considered for the legislative package are changes in target prices, sugar program, and planting requirements tied to deficiency payments.

Legislation will be proposed to reduce the floor, or minimum annual levels, for short-term export credit loan guarantees from \$5 billion to \$3 billion. A further legislative proposal would establish a 5-percent origination fee for export credit loan guarantees.

Object Classification (in thousands of dollars)

Identification code	12-4336-2-3-351	1986 actual	1987 est.	1988 est.
26.0	Supplies and materials.....			450,000
33.0	Investments and loans.....			—8,716
43.0	Interest and dividends.....			—261
99.9	Total obligations.....			441,023

General and special funds:

[TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM]

[For necessary expenses to carry out the Temporary Emergency Food Assistance Act of 1983, as amended, \$50,000,000: *Provided, That, in accordance with section 202 of Public Law 98-92, these funds shall be available only if the Secretary determines the existence of excess commodities.*] (*Agriculture, Rural Development and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

Program and Financing (in thousands of dollars)

Identification code	12-3635-0-1-351	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 41.0).....	49,575	21,441	
Financing:				
21.40	Unobligated balance available, start of year.....	—237		
25.00	Unobligated balance lapsing.....	662		
39.00	Budget authority.....	50,000	21,441	
Budget authority:				
40.00	Appropriation.....	50,000	50,000	
45.00	Transfers out for pay raises and retirement contributions.....		—28,559	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	49,575	21,441	

72.40	Obligated balance, start of year	17,688	18,063	14,420
74.40	Obligated balance, end of year	-18,063	-14,420	
77.00	Adjustments in expired accounts	525		
90.00	Outlays	49,725	25,084	14,420

This program, authorized by the Temporary Emergency Food Assistance Act of 1983, as amended, provides funding to States to cover storage and distribution costs of CCC emergency donated commodities. Funds provided in this appropriation are administered through the Food and Nutrition Service.

OFFICE OF RURAL DEVELOPMENT POLICY

Federal Funds

General and special funds:

SALARIES AND EXPENSES

Program and Financing (in thousands of dollars)

Identification code	12-0801-0-1-452	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations	564		
Financing:				
21.40	Unobligated balance available, start of year	-209		
25.00	Unobligated balance lapsing	46		
39.00	Budget authority	401		
Budget authority:				
40.00	Appropriation	265		
42.00	Transferred from other accounts	136		
43.00	Appropriation (adjusted)	401		
Relation of obligations to outlays:				
71.00	Obligations incurred, net	564		
72.40	Obligated balance, start of year	553	215	
74.40	Obligated balance, end of year	-215		
77.00	Adjustments in expired accounts	-8		
90.00	Outlays	894	215	

No funding was provided in fiscal year 1987, and no funding is requested in fiscal year 1988.

Object Classification (in thousands of dollars)

Identification code	12-0801-0-1-452	1986 actual	1987 est.	1988 est.
Personnel compensation:				
11.1	Full-time permanent	199		
11.3	Other than full-time permanent	1		
11.5	Other personnel compensation	1		
11.9	Total personnel compensation	201		
12.1	Personnel benefits: Civilian	20		
13.0	Benefits for former personnel	97		
21.0	Travel and transportation of persons	1		
23.3	Communications, utilities, and miscellaneous charges	25		
24.0	Printing and reproduction	2		
25.0	Other services	215		
26.0	Supplies and materials	4		
99.9	Total obligations	564		

Personnel Summary

Total compensable workyears: Full-time equivalent employment	5		
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RURAL ELECTRIFICATION ADMINISTRATION

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For administrative expenses to carry out the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901-950(b)), and to administer the loan and loan guarantee programs for Community Antenna Television facilities as authorized by the Consolidated Farm and Rural Development Act (7 U.S.C. 1921-1995), and for which commitments were made prior to fiscal year [1987] 1988, including not to exceed \$7,000 for financial and credit reports, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$103,000 for employment under 5 U.S.C. 3109, [\$29,447,000] \$27,244,000. (Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)

Program and Financing (in thousands of dollars)

Identification code	12-3100-0-1-271	1986 actual	1987 est.	1988 est.
Program by activities:				
Direct program:				
00.01	Administration of rural electrification program	14,599	15,863	14,676
00.02	Administration of rural telephone and CATV programs ..	12,502	13,584	12,567
00.91	Total direct program	27,101	29,447	27,244
01.01	Reimbursable program	208	100	
10.00	Total obligations	27,309	29,547	27,244
Financing:				
11.00	Offsetting collections from: Federal funds	-208	-100	
25.00	Unobligated balance lapsing	2,378		
40.00	Budget authority (appropriation)	29,479	29,447	27,244
Relation of obligations to outlays:				
71.00	Obligations incurred, net	27,101	29,447	27,244
72.40	Obligated balance, start of year	2,692	3,317	3,393
74.40	Obligated balance, end of year	-3,317	-3,393	-3,393
77.00	Adjustments in expired accounts	793		
90.00	Outlays	27,269	29,371	27,244

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

Enacted/requested:	1986 actual	1987 est.	1988 est.
Budget authority	29,479	29,447	27,244
Outlays	27,269	29,371	27,244
Proposed for later transmittal under proposed legislation:			
Budget authority			-27,244
Outlays			-27,244
Total:			
Budget authority	29,479	29,447	
Outlays	27,269	29,371	

The Rural Electrification Administration, under authority of the Rural Electrification Act of 1936, as amended, makes subsidized direct loans and guarantees loans made by other qualified lenders to rural electric and telephone systems for electric and telephone service in rural areas.

In order to protect the Government's loan security on over \$57 billion of loans and guarantees made to borrowers, and to assure that construction and operation projects conform to approved standards, REA furnishes business management and technical assistance on a regular basis to its borrowers. This objective is carried out through regulations, personal visits to the borrowers, and training. REA has personnel in the Washington office and a field staff who have expertise in the electric or telephone industry and who are available to assist borrowers in specialized areas.

General and special funds—Continued

SALARIES AND EXPENSES—Continued

Since the existing programs are being phased out and substituted with a program of 70 percent REA guarantees of private capital and since current and projected demand for new REA loans has declined, staff resources necessary to carry out these programs are proposed for reduction.

Object Classification (in thousands of dollars)

Identification code	12-3100-0-1-271	1986 actual	1987 est.	1988 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	20,158	20,065	19,741
11.3	Other than full-time permanent	110	109	108
11.5	Other personnel compensation	247	249	242
11.9	Total personnel compensation	20,515	20,423	20,091
12.1	Personnel benefits: Civilian	2,560	2,604	2,323
13.0	Benefits for former personnel	6	8	7
21.0	Travel and transportation of persons	1,793	2,074	1,652
22.0	Transportation of things	45	45	60
23.3	Communications, utilities, and miscellaneous charges	665	1,005	1,072
24.0	Printing and reproduction	226	385	360
25.0	Other services	926	2,135	1,274
26.0	Supplies and materials	169	389	223
31.0	Equipment	197	379	182
99.0	Subtotal, direct obligations	27,101	29,447	27,244
99.0	Reimbursable obligations	208	100	.....
99.9	Total obligations	27,309	29,547	27,244

Personnel Summary

Total number of full-time permanent positions	618	535	500
Total compensable workyears: Full-time equivalent employment	566	535	500

SALARIES AND EXPENSES

(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identification code	12-3100-2-1-271	1986 actual	1987 est.	1988 est.
Program by activities:				
00.01	Administration of rural electrification program .....	.....	.....	-14,676
00.02	Administration of rural telephone and CATV programs .....	.....	.....	-12,567
10.00	Total obligations .....	.....	.....	-27,244
Financing:				
40.00	Budget authority (appropriation) .....	.....	.....	-27,244
Relation of obligations to outlays:				
71.00	Obligations incurred, net .....	.....	.....	-27,244
90.00	Outlays .....	.....	.....	-27,244

Legislation will be proposed to charge an origination fee on all new direct loans and privately originated loans guaranteed by REA sufficient to cover annual REA administrative costs.

Object Classification (in thousands of dollars)

Identification code	12-3100-2-1-271	1986 actual	1987 est.	1988 est.
Personnel compensation:				
11.1	Full-time permanent .....	.....	.....	-19,741
11.3	Other than full-time permanent .....	.....	.....	-108
11.5	Other personnel compensation .....	.....	.....	-242
11.9	Total personnel compensation .....	.....	.....	-20,091
12.1	Personnel benefits: Civilian .....	.....	.....	-2,323
13.0	Benefits for former personnel .....	.....	.....	-7
21.0	Travel and transportation of persons .....	.....	.....	-1,652

22.0	Transportation of things .....	.....	.....	-60
23.3	Communications, utilities, and miscellaneous charges .....	.....	.....	-1,072
24.0	Printing and reproduction .....	.....	.....	-360
25.0	Other services .....	.....	.....	-1,274
26.0	Supplies and materials .....	.....	.....	-223
31.0	Equipment .....	.....	.....	-182
99.9	Total obligations .....	.....	.....	-27,244

[REIMBURSEMENT TO THE RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND]

[For an additional amount to reimburse the rural electrification and telephone revolving fund for interest subsidies and losses sustained in prior years, but not previously reimbursed, in carrying out the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901-950(b)), \$20,000,000.] (*Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

Program and Financing (in thousands of dollars)

Identification code	12-3101-0-1-271	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 33.0)	99,400	.....	.....
Financing:				
39.00	Budget authority	99,400	.....	.....
Budget authority:				
40.00	Appropriation	99,400	20,000	.....
45.00	Transfers out for pay raises and retirement contributions .....	.....	-20,000	.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net	99,400	.....	.....
90.00	Outlays	99,400	.....	.....

This appropriation reimburses the rural electrification and telephone revolving fund for interest subsidies and losses which, by law, are not incurred by the revolving fund.

This fund has not incurred a loss since its inception in 1973, because it is exempted by the Act from paying billions in annual interest costs to the Treasury on advances totaling \$7.9 billion. Rural electric and telephone loan assistance has actually cost the Federal Government billions in interest subsidies and losses since 1973. However, these costs have been sustained by the Treasury, not by the revolving fund. Therefore, no appropriation is requested for 1988.

[PURCHASE OF RURAL TELEPHONE BANK CAPITAL STOCK]

[For the purchase of Class A stock of the Rural Telephone Bank \$28,710,000, to remain available until expended (7 U.S.C. 901-905(b)).] (*Agriculture, Rural Development and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

Program and Financing (in thousands of dollars)

Identification code	12-3102-0-1-452	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 33.0)	28,530	28,710	.....
Financing:				
40.00	Budget authority (appropriation)	28,530	28,710	.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net	28,530	28,710	.....
90.00	Outlays	28,530	28,710	.....

The Rural Electrification Act of 1936, as amended, authorizes appropriations for the purchase of Class A stock in the Rural Telephone Bank by the U.S. Government.

No appropriation is requested for 1988. The Federal Government has already provided \$477 million in heavily subsidized capital (2% interest) to the Bank—\$177 million over the amount in the original statute establishing the Bank. The subsidy cost to the Federal Government of the Treasury Class A stock purchases is \$24 million in FY 1987. Bank lending will be phased out in 1989 and most of its loans and assets sold by 1990 with the proceeds used to repay outstanding Treasury loans of \$759 million and to pay Treasury for outstanding Class A stock of \$477 million. Most Bank borrowers will be eligible for the proposed REA 70% guarantee of principal of privately originated loans.

Public enterprise funds:

RURAL COMMUNICATION DEVELOPMENT FUND

To reimburse the Rural Communication Development Fund for interest subsidies and losses sustained in prior years, but not previously reimbursed, in making Community Antenna Television loans and loan guarantees under sections 306 and 310B of the Consolidated Farm and Rural Development Act, as amended, **[\$1,591,000]** *\$1,309,000. (Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)*

Program and Financing (in thousands of dollars)

Identification Code	12-4142-0-3-452	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Interest on borrowings (total obligations) (object class 43.0)	2,790	2,841	2,938
Financing:				
14.00	Offsetting collections from: Non-Federal sources	— 3,485	— 1,250	— 1,629
17.00	Recovery of prior year obligations	504		
25.00	Unobligated balance lapsing	— 504		
32.47	Balance of authority to borrow withdrawn	1,891		
40.00	Budget authority (appropriation)	1,196	1,591	1,309
Relation of obligations to outlays:				
71.00	Obligations incurred, net	— 695	1,591	1,309
Obligated balance, start of year:				
72.47	Authority to borrow	3,695	— 34	78
72.98	Fund balance	118	3,096	2,984
Obligated balance, end of year:				
74.47	Authority to borrow	34	— 78	742
74.98	Fund balance	— 3,096	— 2,984	— 3,804
78.00	Adjustments in unexpired accounts	504		
90.00	Outlays	560	1,591	1,309

Status of Direct Loans (in thousands of dollars)

Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	18,938	18,263	17,629
1231	Disbursements: Direct loan disbursements	1,253	616	479
1251	Repayments: Repayments and prepayments	— 2,225	— 1,250	— 679
Adjustments:				
1262	Write-offs for default	— 673		
1264	Other adjustments, net ¹	970		
1290	Outstanding, end of year	18,263	17,629	17,429

¹ Purchased defaulted guaranteed loans.

Status of Guaranteed Loans (in thousands of dollars)

Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	5,558	6,060	6,654
2231	Disbursements: Disbursements of new guaranteed loans	683	864	864

2251	Repayments: Repayments and prepayments	— 181	— 270	— 174
2290	Outstanding, end of year	6,060	6,654	7,344

MEMORANDUM

2299	U.S. contingent liability for guaranteed loans outstanding, end of year	6,060	6,654	7,344
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The Rural Development Insurance Fund was established on October 1, 1972, pursuant to section 116 of the Rural Development Act of 1972 (Public Law 92-419) approved August 30, 1972, to make community facility and business and industrial loans and guaranteed loans to both profit and nonprofit organizations.

The Rural Communication Development Fund, an account under the Rural Development Insurance Fund authorities, was established pursuant to Secretary's Memorandum No. 1988 approved May 22, 1979. This memorandum transferred certain financing authorities under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) from the Farmers Home Administration to the Rural Electrification Administration for the purpose of financing and administering community antenna television services or facilities in rural areas. Funding is required for losses from operation of the program.

Revenue and Expense (in thousands of dollars)

	1986 actual	1987 est.	1988 est.
Operating income or loss (—):			
Revenue	1,260	1,250	1,629
Expense	— 3,463	— 2,841	— 2,938
Net loss for the year	— 2,203	1,591	1,309

Financial Condition (in thousands of dollars)

	1985 actual	1986 actual	1987 est.	1988 est.
Assets:				
Fund balance	119	3,096	2,984	3,804
Loans receivable (net)	18,938	18,263	17,629	17,429
Accounts receivable (net)	1,309	393	449	438
Total assets	20,366	21,752	21,062	21,671
Liabilities:				
Debt issued under borrowing authority:				
Borrowings from Treasury	23,233	24,604	23,504	25,281
Accounts payable (net)	1,350	2,372	2,074	1,478
Total liabilities	24,583	26,976	25,578	26,759
Government equity:				
Undelivered orders	4,744	2,054	1,437	958
Unfinanced budget authority:				
Borrowing authority	— 4,666	33	— 78	742
Invested capital	— 4,295	— 7,311	— 5,875	— 6,788
Total Government equity	— 4,217	— 5,224	— 4,516	— 5,088

Analysis of changes in Government equity:

Retained income or loss (—):			
Opening balance	— 4,217	— 5,224	— 4,516
Transactions: Net operating loss	— 2,203	— 883	— 1,881
Appropriation for losses	1,196	1,591	1,309
Closing balance	— 5,224	— 4,516	— 5,088
Total Government equity (end of year)	— 5,224	— 4,516	— 5,088

Public enterprise funds—Continued

RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND LOAN
AUTHORIZATIONS*

*See Part II for additional information.

[Insured loans pursuant to the authority of section 305 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), shall be made as follows: rural electrification loans, not less than \$622,050,000 nor more than \$933,075,000; and rural telephone loans, not less than \$239,250,000 nor more than \$311,025,000; to remain available until expended: *Provided*, That loans made pursuant to section 306 of that Act are in addition to these amounts but during 1987 total commitments to guarantee loans pursuant to section 306 shall be not less than \$933,075,000 nor more than \$2,100,615,000 of contingent liability for total loan principal: *Provided further*, That as a condition of approval of insured electric loans during fiscal year 1987, borrowers shall obtain concurrent supplemental financing in accordance with the applicable criteria and ratios in effect as of July 15, 1982: *Provided further*, That no funds appropriated in this Act may be used to deny or reduce loans or loan advances based upon a borrower's level of general funds.] *During fiscal year 1988, and within the resources and authority available, gross obligations for the principal amount of direct loans pursuant to the authority of section 305 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), shall not exceed \$290,000,000: Provided, That rural electrification loans shall not exceed \$258,000,000 and rural telephone loans shall not exceed \$32,000,000. (Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)*

Program and Financing (in thousands of dollars)

Identification code	12-4230-0-3-271	1986 actual	1987 est.	1988 est.
Program by activities:				
Operating expenses:				
00.01	Interest expense on certificates of beneficial ownership ¹	437,318	415,500	445,600
00.02	Interest on interim borrowings	649	3,300	
00.03	Administrative expenses	325		
00.91	Total operating expenses	438,292	418,800	445,600
Capital investment:				
01.01	Rural electrification	651,933	880,138	258,000
01.02	Rural telephone	183,340	342,277	32,000
01.03	Direct loans, FFB	1,167,512	933,075	
01.91	Total capital investment	2,002,785	2,155,490	290,000
10.00	Total obligations	2,441,077	2,574,290	735,600
Financing:				
Offsetting collections from:				
11.00	Federal sources	—99,400		
14.00	Non-Federal sources	—2,573,575	—3,129,600	—1,600,200
14.00	Prepayment of loans		—175,000	
17.00	Recovery of prior year obligations	—20,971		
21.98	Unobligated balance available, start of year:			
	Fund balance	—335,088	—361,115	
24.98	Unobligated balance available, end of year: Fund balance	361,115		
25.00	Unobligated balance lapsing	20,971		
27.00	Capital transfer to general fund	38,700		
31.00	Redemption of debt	1,689,217	170,000	
31.00	Redemption of debt, CBO's		921,425	864,600
32.47	Balance of authority to borrow withdrawn	262,866		
39.00	Budget authority	1,784,912		
Budget authority:				
67.10	Authority to borrow (permanent, indefinite) (7 U.S.C. 934 and 12 U.S.C. 2281-96)	1,784,912		
Relation of obligations to outlays:				
71.00	Obligations incurred, net	—231,898	—730,310	—864,600
	Obligated balance, start of year:			
72.47	Authority to borrow	7,284,614	6,730,398	6,035,674
72.98	Fund balance	1,347	586	
	Obligated balance, end of year:			
74.47	Authority to borrow	—6,730,398	—6,035,674	—3,275,374
74.98	Fund balance	—586		

78.00	Adjustments in unexpired accounts	—20,971		
90.00	Outlays	302,108	—35,000	1,895,700

¹ Includes interest received by REA as trustee for holders of certificates of beneficial ownership in the following amounts: 1986, \$147,024 thousand; 1987, \$135,707 thousand, and 1988, \$130,574 thousand.

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dollars]			
Enacted/requested:	1986 actual	1987 est.	1988 est.
Budget authority	1,784,912		
Outlays	302,108	—35,000	1,895,700
Supplemental under existing legislation:			
Budget authority		—850,783	
Outlays		—198,326	—231,325
Proposed for later transmittal under proposed legislation:			
Budget authority			
Outlays			—951,500
Total:			
Budget authority	1,784,912	—850,783	
Outlays	302,108	—233,326	712,875

Status of Direct Loans (in thousands of dollars)

Identification code	12-4230-0-3-271	1986 actual	1987 est.	1988 est.
Position with respect to appropriations act limitation on obligations:				
Limitation on direct loans to the public:				
1111	Loans disbursed by REA ¹	1,196,388	1,222,415	290,000
1111	FFB direct loans ²	933,075	933,075	
1112	Unused balance of direct loan limitation	—361,115		
Obligations exempt from limitation:				
1131	Direct loans to the public: FFB loans	234,437		
1132	Defaulted guaranteed loan claims ³	949,924		
1150	Total direct loan obligations	2,952,709	2,155,490	290,000

Cumulative balance of direct loans outstanding:

1210	Outstanding, start of year	35,636,506	35,940,767	38,184,367
1231	Disbursements: Direct loan disbursements	2,320,789	3,375,000	2,850,000
Repayments:				
1251	Repayments	—2,016,528	—881,400	—992,900
1253	Prepayments		—175,000	
1264	Other adjustments, net ⁴		—75,000	
1290	Outstanding, end of year	35,940,767	38,184,367	40,041,467

¹ The enacted limitation in 1986 and 1987 is \$861,300 thousand. Fiscal year 1986 includes a \$335,088 thousand carryover from 1985; fiscal year 1987 includes a \$361,115 thousand carryover from 1986.

² Loans that are guaranteed by REA and disbursed by the Federal Financing Bank are shown as FFB direct loans in this schedule. However, the limitation enacted or proposed to be enacted in appropriation acts applies to the guaranteed loan commitment made by REA.

³ Represents total Federal liability for defaults on loans made by FFB and guaranteed by REA. This liability will outlay into the outlays as payments on the defaulted loans come due.

⁴ Represents discount from face value on prepayment of loans.

Status of Guaranteed Loans ¹ (in thousands of dollars)

Identification code	12-4230-0-3-271	1986 actual	1987 est.	1988 est.
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	1,044,789	1,029,934	1,117,934
2231	Disbursements: Disbursement of new guaranteed loans ²		100,000	127,420
2251	Repayments: Repayments and prepayments	—14,855	—12,000	—12,000
2290	Outstanding, end of year	1,029,934	1,117,934	1,233,354

MEMORANDUM

2299	U.S. contingent liability for guaranteed loans outstanding, end of year	1,029,934	1,117,934	1,233,354
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¹ Loans that are guaranteed by REA and disbursed by the Federal Financing Bank are shown in the REA status of direct loan schedule. Limitations enacted or proposed on these loans are as follows: 1986, \$933,075 thousand; and 1987, \$933,075 thousand.

² These disbursements of new guaranteed loans result from loan guarantee commitments in previous years.

The Rural Electrification Administration conducts two loan programs: (1) The rural electrification program and (2) the rural telephone program.

Direct electric and telephone loans from the Rural Electrification and Telephone Revolving Fund (RETRF) bear interest at a 5 percent rate. Some loans may be made at a lesser rate. RETRF loans must be repaid within a period not to exceed 35 years. REA also guarantees loans made directly by the Government through the Federal Financing Bank (FFB) or by other qualified lenders at rates agreed upon by the lender and the borrower.

Loans from the RETRF are financed from available receipts or, when necessary, by interim Treasury borrowings. Loans made from the RETRF are held in a pool as security for certificates of beneficial ownership (CBO's) which are sold to investors.

Rural electrification.—This loan program is financed through REA direct and guaranteed loans for the construction and operation of generating plants, electric transmission, and distribution lines or systems. Electric demand growth as well as demand for REA direct and guaranteed loans have decreased over the past several years. The reduction in the 1988 loan level from 1987 reflects the phase out of the costly RETRF loan and loan guarantee program and the substitution of a loan program which allows for a 70 percent REA guarantee of principal of privately originated loans.

STATUS OF THE ELECTRIFICATION PROGRAM—ELECTRIFICATION LOAN LEVELS

(In thousands of dollars)

Loan level:	1986 actual	1987 est.	1988 est.
Direct loans.....	651,933	983,165	258,000
FFB direct loans.....	1,167,512	813,450	.....
Subtotal, direct loans and loan guarantee commitments...	1,819,445	1,796,615	258,000
Non-REA without guarantee commitments.....	841,014	600,000	600,000
Total, electrification program.....	2,660,459	2,396,615	858,000

PROGRAM STATISTICS

(Dollars in thousands)

	1986 actual	1987 est.	1988 est.
Cumulative net loans.....	19,249,603	20,232,768	20,490,768
Cumulative funds advanced.....	17,691,652	18,376,847	18,906,847
Unadvanced funds, end of year.....	1,557,951	1,855,921	1,583,921
Cumulative principal repaid.....	6,032,975	6,559,054	6,918,519
Cumulative interest paid ¹	4,854,392	5,330,793	5,829,017
Cumulative loan guarantee commitments.....	30,980,392	31,793,842	31,793,842
Cumulative consumers served—calendar year (thousands—estimated) ²	11,470	11,797	12,124
Cumulative miles energized—calendar year (thousands—estimated) ²	2,125	2,147	2,170
Number of borrowers.....	993	994	996

¹ Includes interest received by REA as trustee for holders of certificates of beneficial ownership.

² Data represents accomplishments from all sources of funds.

Rural telephone.—This loan program is financed through REA direct and guaranteed loans for the construction, expansion, acquisition, and operation of telephone lines and facilities or systems. This costly program is also being phased out and substituted with a loan program which allows for a 70 percent REA guarantee of principal of privately originated loans.

STATUS OF THE TELEPHONE PROGRAM—TELEPHONE LOAN LEVELS

(In thousands of dollars)

Loan level:	1986 actual	1987 est.	1988 est.
Direct loans.....	183,340	342,277	32,000
FFB direct loans.....	.....	119,625	.....
Subtotal, direct loans and loan guarantee commitments...	183,340	461,902	32,000

RTB loans (account follows).....	127,897	177,045	93,000
Total, telephone program.....	311,237	638,947	125,000

PROGRAM STATISTICS

(Dollars in thousands)

	1986 actual	1987 est.	1988 est.
Cumulative net loans.....	5,109,951	5,452,228	5,484,228
Cumulative funds advanced.....	4,328,619	4,543,424	4,729,424
Unadvanced funds, end of period.....	781,332	908,804	754,804
Cumulative principal repaid.....	1,341,826	1,472,147	1,605,582
Cumulative interest paid ¹	1,080,206	1,184,505	1,293,581
Cumulative loan guarantee commitments ²	679,454	799,079	799,079
Cumulative route miles of line constructed or improved—(thousands—estimated) ³	898	915	932
Cumulative dial subscribers, new and improved service—calendar year (thousands—estimated) ³	4,928	5,032	5,135
Number of borrowers.....	1,009	1,014	1,019

¹ Includes interest received by REA as trustee for holders of certificates of beneficial ownership.

² FFB and other lenders.

³ Data represents accomplishments from borrowers financed 20% or more by REA, RTB, and guaranteed loans.

Revenue and Expense (in thousands of dollars)

	1986 actual	1987 est.	1988 est.
Operating income or loss (—):			
Interest earned on loans to borrowers ¹	410,023	419,993	420,735
Expense ²	—600,699	—565,257	—566,199
Net operating income.....	—190,676	—145,264	—145,464

¹ Includes interest by REA as trustee for holders of certificates of beneficial ownership in the following amounts: 1986, \$147,024 thousand; 1987, \$135,707 thousand; and 1988, \$130,574 thousand.

² Includes imputed Treasury costs paid without reimbursement in the following amounts: 1986, \$307,164 thousand; 1987, \$307,164 thousand; and 1988, \$307,164 thousand.

Financial Condition (in thousands of dollars)

	1985 actual	1986 actual	1987 est.	1988 est.
Assets:				
Selected assets:				
Fund balance with Treasury.....	1,347	586	.....	.....
Accounts receivable (net).....	1,310,479	1,458,999	1,397,206	1,290,000
Loans receivable (net).....	35,217,847	35,533,079	35,756,901	36,025,807
Other assets (net).....	420,000	448,530	477,240	477,240
Total assets.....	36,949,673	37,441,194	37,631,347	37,793,047
Liabilities:				
Selected liabilities:				
Accounts payable to the public.....	53,298	457	.....	.....
Long-term notes payable to Treasury.....	7,864,742	7,864,742	7,864,742	7,864,742
Other liabilities.....	951,229	949,924	949,924	949,924
Total liabilities.....	8,869,369	8,815,123	8,814,666	8,814,666
Government equity:				
Selected equities:				
Unexpended budget authority: Undelivered orders (unadvanced loans).....	9,836,900	7,239,601	6,123,118	5,697,118
Unfinanced budget authority: Financing authority.....	—9,529,698	—6,730,398	—6,035,674	—3,275,374
Other revolving fund balances.....	27,773,102	28,116,868	28,729,237	26,556,637
Total Government equity.....	28,080,304	28,626,071	28,816,681	28,978,381

Analysis of changes in Government equity:

Paid-in capital:				
Opening balance.....	28,827,701	29,262,795	29,598,669	
Transactions:				
Appropriation to RETRF for interest subsidies and losses.....	99,400	20,000	.....	.....
Rural Telephone Bank Class A stock.....	28,530	28,710	.....	.....
Treasury contribution: costs paid without reimbursement.....	307,164	307,164	307,164	
Closing balance.....	29,262,795	29,598,669	29,905,833	
Retained income:				
Opening balance.....	—446,048	—636,724	—781,988	

Public enterprise funds—Continued

RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND LOAN
AUTHORIZATIONS—Continued

Financial Condition (in thousands of dollars)—Continued

	1985 actual	1986 actual	1987 est.	1988 est.
Transactions: Net income.....		—190,676	—145,264	—145,464
Closing balance.....		—636,724	—781,988	—927,452
Total Government equity (end of year).....		28,626,071	28,816,681	28,978,381

Object Classification (in thousands of dollars)

Identification code	12-4230-0-3-271	1986 actual	1987 est.	1988 est.
33.0	Investments and loans.....	2,002,785	2,155,490	290,000
43.0	Interest and dividends.....	438,292	418,800	445,600
99.9	Total obligations.....	2,441,077	2,574,290	735,600

RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND LOAN
AUTHORIZATIONS

(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identification code	12-4230-2-3-271	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations.....			
Financing:				
Offsetting collections from: Non-Federal sources				
14.00	Interest income.....			—500
14.00	Loan asset sales to public.....			—653,000
Prepayments of direct loans:				
14.00	FFB loans.....			—200,000
14.00	Non-FFB loans.....			—98,000
Redemption of debt:				
31.00	Repayment of FFB loans.....			200,000
31.00	Repurchase of CBO's.....			751,500
39.00	Budget authority.....			
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....			—951,500
90.00	Outlays.....			—951,500

Legislation will be proposed to phase out the costly 5 percent interest direct REA loans and 100 percent guarantees of Federal Financing Bank loans and substitute guarantees of 70 percent of loans made by the private sector. Direct loans would be phased out by the end of 1989. Interest rates would be increased on these loans and fees assessed to cover REA administrative costs. REA borrowers serving largely urban, suburban or recreational areas or affiliates of larger telephone holding companies will no longer be eligible for REA assistance. Proposed legislation would permit the sale of REA loan assets. The proceeds would be used to repay Treasury loans.

Legislation will also be proposed to allow (1) the sale of REA loan assets at market value, and (2) REA borrowers to prepay their outstanding FFB and REA guaranteed loans without penalty and to repay their direct loans at a discount determined by the Administrator, provided that they become ineligible for any type of REA assistance in the future.

Status of Direct Loans (in thousands of dollars)

Identification code	12-4230-2-3-271	1986 actual	1987 est.	1988 est.
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year.....			
1251	Repayments: Repayments and prepayments.....			—298,000
1253	Loan asset sales to the public.....			—653,000
1264	Other adjustments, net ¹			—399,000
1290	Outstanding, end of year.....			—1,350,000

¹ Represents discount from face value on loan asset sales (\$347 million) and prepayment of loans (\$52 million).

Status of Guaranteed Loans (in thousands of dollars)

Position with respect to appropriation act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders.....			840,000
2150	Total guaranteed loan commitments.....			840,000
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year.....			
2231	Disbursements: Disbursements of new guaranteed loans.....			202,000
2290	Outstanding, end of year.....			202,000

MEMORANDUM

2299	U.S. contingent liability of guaranteed loans outstanding, end of year.....			141,400
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RURAL TELEPHONE BANK*

*See Part II for additional information.

The Rural Telephone Bank is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to such corporation in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out its authorized programs for the current fiscal year. During [1987] fiscal year 1988, and within the resources and authority available, gross obligations for the principal amount of direct loans shall be not [less than \$177,045,000 nor] more than [\$210,540,000.] \$93,000,000. (Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)

Program and Financing (in thousands of dollars)

Identification code	12-4231-0-3-452	1986 actual	1987 est.	1988 est.
Program by activities:				
Operating expenses:				
00.01	Administrative expenses.....	70	75	75
00.02	Interest expense.....	74,689	76,682	77,124
00.03	Dividends.....	147	138	138
00.91	Total operating expenses.....	74,906	76,895	77,337
01.01	Capital investment loans.....	127,897	177,045	93,000
10.00	Total obligations.....	202,803	253,940	170,337
Financing:				
Offsetting collections from:				
11.00	Federal funds.....	—28,595	—28,767	—57
14.00	Non-Federal sources.....	—132,834	—137,306	—589,821
17.00	Recovery of prior year obligations.....			—46,766
25.00	Unobligated balance lapsing.....	46,766		
27.00	Capital transfer to general fund.....	8,582	9,541	9,541
31.00	Redemption of debt.....			410,000
67.10	Budget authority (authority to borrow) (permanent, indefinite) (7 U.S.C. 901-950(b)).....	49,956	97,408	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	41,374	87,867	—419,541
Obligated balance, start of year:				
72.47	Authority to borrow.....	652,026	655,162	748,108
72.98	Fund balance.....	23,997	29,714	29,929

Obligated balance, end of year:			
74.47	Authority to borrow	— 655,162	— 748,108
74.98	Fund balance	— 29,714	— 29,929
78.00	Adjustments in unexpired accounts	— 46,766	— 38,050
90.00	Outlays	— 14,246	— 5,294
			— 323,817

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

Enacted/requested:			
	1986 actual	1987 est.	1988 est.
Budget authority	49,956	97,408	
Outlays	— 14,246	— 5,294	— 323,817
Supplemental under existing legislation:			
Budget authority		— 28,534	
Outlays		— 1,712	— 6,402
Total:			
Budget authority	49,956	68,874	
Outlays	— 14,246	— 7,006	— 330,219

Status of Direct Loans (in thousands of dollars)

Identification code	12-4231-0-3-452	1986 actual	1987 est.	1988 est.
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans to the public	177,045	177,045	93,000
1112	Unused balance of direct loan limitation expiring	— 49,148		
1150	Total direct loan obligations	127,897	177,045	93,000
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	1,382,655	1,433,934	1,499,492
1231	Disbursements: Direct loan disbursements	71,852	85,000	85,000
Repayments:				
1251	Repayments and prepayments	— 20,573	— 19,442	— 71,303
1253	Loan asset sales to the public			— 449,000
1264	Adjustments: Other adjustments, net ¹			— 51,000
1290	Outstanding, end of year	1,433,934	1,499,492	1,013,189

¹ Represents discount from face value on loan asset sales.

The Rural Telephone Bank (RTB) provides a subsidized source of financing for the REA telephone loan program. The bank charges an interest rate based on the average cost of money to the bank, but not less than 5 percent per annum. The weighted average interest rate on cumulative loans through September 30, 1986, was 8.26 percent. During the first quarter of 1987, loans were made at 7.0 percent interest.

Equity capital of the bank consists of class A stock purchased by the United States of \$477 million with a 2 percent dividend and classes B and C stock purchased by bank borrowers, organizations eligible to become borrowers and organizations controlled by borrowers, and retained earnings. The Bank has borrowed \$759 million from the Treasury. In addition, the \$477 million in capital stock is heavily subsidized by the Federal Government.

Administrative support is a further subsidy provided without charge for the general operations of the bank by REA employees and the Office of the General Counsel, without cost to the bank, as provided for in the enabling legislation. Certain incidental administrative expenses, such as expenses of the elected members of the Board of Directors, postage fees and the audit by the General Accounting Office, must be borne by the bank.

Bank loans totaled \$128 million in 1986. After almost 14 years in operation, loans to 591 borrowers have been approved, totaling over \$2.269 billion. Telephone bank loans are estimated at \$177 million for 1987 and \$93 million for 1988. The Administration proposes to phase

out the Bank's costly lending program at the end of 1989, sell Bank assets, and use the proceeds to repay Treasury debt and Class A stock. Most Bank borrowers will be eligible for REA guarantees of 70 percent of principal of privately originated loans. Bank borrowers who are affiliates of large telephone holding companies or who largely serve urban or suburban areas would no longer be eligible under proposed legislation. Borrowers will be permitted to prepay without a premium if they agree to seek no more assistance from REA.

BUDGET AUTHORITY, OBLIGATIONS, AND BALANCES

(In thousands of dollars)

Budget authority:			
	1986 actual	1987 est.	1988 est.
Appropriation for class A stock	28,530	28,710	
Borrowing authority (program and financing schedule)	49,956	97,408	
New budget authority			
	78,486	126,118	
Other funds available	132,899	137,363	589,821
Less return on class A stock	8,582	9,541	9,541
Total budgetary resources	202,803	253,940	580,280
Obligations:			
Loans approved	127,897	177,045	93,000
Expenses and C stock dividends	74,906	76,895	77,337
Total	202,803	253,940	170,337

BORROWING AUTHORITY

(In thousands of dollars)

Available start of year			
	1986 actual	1987 est.	1988 est.
Increase ¹	11,246,693	12,380,739	13,456,489
Encumbered	1,137,236	1,173,158	419,960
Recovery of prior obligations	— 49,956	— 97,408	
	46,766		
Available end of year	12,380,739	13,456,489	13,876,449
¹ Computed in accordance with sec. 407 of the Rural Electrification Act of 1936 as amended:			
A stock	28,530	28,710	
B stock	15,503	16,748	20,998
C stock			
Retained earnings	12,829	13,200	
Total	56,862	58,658	20,998
Statutory borrowing authority rate	20	20	20
Maximum borrowing authority during year	1,137,236	1,173,158	419,960

Note.—Totals may not add due to rounding.

PROGRAM STATISTICS

(Dollars in thousands)

Cumulative net loans			
	1986 actual	1987 est.	1988 est.
	2,222,571	2,399,616	2,492,616
Cumulative loan funds, advanced	1,547,946	1,632,946	1,717,946
Unadvanced loan funds, end of year	674,624	766,669	774,669
Cumulative principal repaid	114,012	133,454	704,757
Cumulative interest paid	753,882	867,496	937,014
Number of borrowers	591	620	635

Revenue and Expense (in thousands of dollars)

	1986 actual	1987 est.	1988 est.
Operating income or loss (—):			
Interest earned on loans to borrowers	109,095	112,661	69,518
Expenses	— 75,266	— 77,341	— 77,572
Net operating income	33,829	35,320	— 8,054
Nonoperating income:			
Interest earned on U.S. securities (net of discount less premium amortization)	65	57	57
Net income for the year	33,896	35,377	— 7,997

Public enterprise funds—Continued

RURAL TELEPHONE BANK—Continued

Financial Condition (in thousands of dollars)

	1985 actual	1986 actual	1987 est.	1988 est.
Assets:				
Selected assets:				
Fund balance with Treasury.....	23,064	28,781	28,996	37,117
U.S. securities.....	933	933	933	933
Accounts receivable (net).....	8,144	8,427	11,278	11,812
Loans receivable (net).....	1,378,258	1,429,031	1,494,004	1,009,043
Other assets (net).....	1	1		
Total assets.....	1,410,400	1,467,173	1,535,211	1,058,905
Liabilities:				
Selected liabilities:				
Accounts payable and other accrued liabilities.....	18,821	18,680	22,644	
Debt issued under borrowing authority: Borrowing from Treasury.....	758,709	758,762	764,177	341,146
Total liabilities.....	777,530	777,442	786,821	341,146
Fund equity:				
Government equity:				
Selected equities:				
Undelivered orders: Undisbursed loans.....	665,346	674,624	766,668	774,669
Unfinanced budget authority: Undrawn authority to borrow.....	-652,025	-655,162	-748,108	-644,263
Invested capital.....	406,679	429,068	458,678	329,296
Total Government equity.....	420,000	448,530	477,238	459,702
Private equity:				
Class B stock.....	133,950	149,453	166,201	170,451
Class C stock.....	1,730	1,730	1,730	1,730
Retained earnings.....	77,190	90,018	103,219	85,876
Total private equity.....	212,870	241,201	271,150	258,057
Total equity.....	632,870	689,731	748,389	717,759
Analysis of changes in equity:				
Privately owned equity:				
Paid-in capital: Opening balance.....		135,680	151,183	167,931
Transactions:				
Patronage refund—class B stock.....		12,337	12,498	
Stock sold:				
Class B.....		3,166	4,250	4,250
Class C.....				
Closing balance.....		151,183	167,931	172,181
Retained income: Opening balance.....		77,190	90,019	103,219
Transactions:				
Balances of current operating and nonoperating income transferred from Government equity.....		25,313	25,836	-17,481
Patronage refund—class B stock.....		-12,337	-12,498	
Dividend paid—class C stock.....		-147	-138	138
Closing balance.....		90,019	103,219	85,876
Total privately owned equity.....		241,202	271,150	258,057
Government equity:				
Paid-in capital: Opening balance.....		420,000	448,530	477,240
Transactions: Appropriations.....		28,530	28,710	
Closing balance.....		448,530	477,240	477,240
Transactions:				
Transfer to miscellaneous receipts in Treasury for return on class A stock.....		-8,582	-9,541	-9,541
Operating income.....		33,830	35,320	-8,054
Nonoperating income.....		65	57	57
Current income in excess of return on class A stock transferred to private equity.....		-25,313	-25,836	
Closing balance.....				-17,538
Total Government equity (end of year).....		448,530	477,240	459,702

Object Classification (in thousands of dollars)

Identification code	12-4231-0-3-452	1986 actual	1987 est.	1988 est.
11.8	Personnel compensation: Special personal services payments.....	10	11	11
21.0	Travel and transportation of persons.....	24	26	26
23.3	Communications, utilities, and miscellaneous charges.....	3	3	3
24.0	Printing and reproduction.....	1	1	1
25.0	Other services.....	32	34	34
33.0	Investments and loans.....	127,897	177,045	93,000
43.0	Interest and dividends.....	74,836	76,820	77,262
99.9	Total obligations.....	202,803	253,940	170,337

FARMERS HOME ADMINISTRATION

Federal Funds

General and special funds:

[RURAL WATER AND WASTE DISPOSAL GRANTS]*

*See Part II for additional information.

[For grants pursuant to sections 306(a)(2) and 306(a)(6) of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1926), \$109,395,000, to remain available until expended, pursuant to section 306(d) of the above Act.] (*Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

Program and Financing (in thousands of dollars)

Identification code	12-2066-0-1-452	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 41.0).....	119,318	110,985	
Financing:				
17.00	Recovery of prior year obligations.....	-9,186		
21.40	Unobligated balance available, start of year.....	-2,327	-1,590	
24.40	Unobligated balance available, end of year.....	1,590		
40.00	Budget authority (appropriation).....	109,395	109,395	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	119,318	110,985	
72.40	Obligated balance, start of year.....	477,548	409,485	352,372
74.40	Obligated balance, end of year.....	-409,485	-352,372	-219,591
78.00	Adjustments in unexpired accounts.....	-9,186		
90.00	Outlays.....	178,195	168,098	132,781

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1986 actual	1987 est.	1988 est.
Enacted/requested:			
Budget authority.....	109,395	109,395	
Outlays.....	178,195	168,098	132,781
Rescission proposal:			
Budget authority.....		-79,500	
Outlays.....		-1,590	-11,925
Total:			
Budget authority.....	109,395	29,895	
Outlays.....	178,195	166,508	120,856

This grant program is authorized by subtitle A of the Consolidated Farm and Rural Development Act, as amended. Grants are authorized to be made to associations, including nonprofit corporations, public and quasi-public agencies, and certain Indian tribes to finance storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas. The amount of any development grant may not exceed 75 percent of the eligible development cost of the project.

The major objectives of the rural water and waste disposal grant programs are: (1) to provide assistance to

attain basic human amenities, (2) to alleviate health hazards, (3) to promote stability of rural areas by meeting the need for new and improved rural water and waste disposal systems, and (4) to meet national safe drinking water and clean water standards. No program is proposed for 1988 because adequate credit sources are available to finance needed facilities.

GRANT OBLIGATIONS

	1986 actual	1987 est.	1988 est.
Number of grants	343	310	.....
Amount of grants (in thousands)	\$119,318	\$110,985	.....

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Farmers Home Administration, not otherwise provided for, in administering the programs authorized by the Consolidated Farm and Rural Development Act (7 U.S.C. 1921-1995) 2000, as amended; title V of the Housing Act of 1949, as amended (42 U.S.C. 1471-1490h) 1490o; the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U.S.C. 440-444), for administering the loan program authorized by title III A of the Economic Opportunity Act of 1964 (Public Law 88-452 approved August 20, 1964), as amended, and such other programs for which Farmers Home Administration has the responsibility for administering, **["\$386,867,000"] \$411,145,000, together with not more than \$3,000,000 of the charges collected in connection with the insurance of loans as authorized by section [309(e)] 309(a) of the Consolidated Farm and Rural Development Act, as amended, and section 517(i) of the Housing Act of 1949, as amended, or in connection with charges made on borrowers under section 502(a) of the Housing Act of 1949, as amended: *Provided*, That, in addition, not to exceed \$1,000,000 of the funds available for the various programs administered by this agency may be transferred to this appropriation for temporary [field] employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), to meet unusual or heavy workload increases: *Provided further*, That not to exceed \$500,000 of this appropriation may be used for employment under 5 U.S.C. 3109: *Provided further*, That not to exceed \$2,047,000 of this appropriation shall be available for contracting with the National Rural Water Association or other equally qualified national organization for a circuit rider program to provide technical assistance for rural water systems: *Provided further*, That, in addition to any other authority that the Secretary may have to defer principal and interest and forego foreclosure, the Secretary may permit, at the request of the borrower, the deferral of principal and interest on any outstanding loan made, insured, or held by the Secretary under this title, or under the provisions of any other law administered by the Farmers Home Administration, and may forego foreclosure of any such loan, for such period as the Secretary deems necessary upon a showing by the borrower that due to circumstances beyond the borrower's control, the borrower is temporarily unable to continue making payments of such principal and interest when due without unduly impairing the standard of living of the borrower. The Secretary may permit interest that accrues during the deferral period on any loan deferred under this section to bear no interest during or after such period: *Provided further*, That, if the security instrument securing such loan is foreclosed, such interest as is included in the purchase price at such foreclosure shall become part of the principal and draw interest from the date of foreclosure at the rate prescribed by law]. (*Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591 section 101(a).*)**

Program and Financing (in thousands of dollars)

Identification code	12-2001-0-1-452	1986 actual	1987 est.	1988 est.
Program by activities:				
00.01	Direct program	355,279	398,545	415,145
01.01	Reimbursable program	279	635	635
10.00	Total obligations	355,558	399,180	415,780
Financing:				
11.00	Offsetting collections from: Federal funds	-1,236	-4,635	-4,635
22.40	Unobligated balance transferred, net .....	.....	-7,678	.....

25.00	Unobligated balance lapsing	3,582	.....	.....
39.00	Budget authority	357,904	386,867	411,145
Budget authority:				
40.00	Appropriation	357,004	386,867	411,145
42.00	Transferred from other accounts	900	7,678	.....
43.00	Appropriation (adjusted)	357,904	386,867	411,145
Relation of obligations to outlays:				
71.00	Obligations incurred, net	354,322	394,545	411,145
72.40	Obligated balance, start of year	44,096	39,605	42,046
74.40	Obligated balance, end of year	-39,605	-42,046	-45,839
77.00	Adjustments in expired accounts	-2,938	.....	.....
90.00	Outlays	355,875	392,104	407,352

These funds are used to administer the loan, guaranteed loan, and grant programs of the Farmers Home Administration. Activities include reviewing applications, servicing the loan portfolio and providing technical assistance and guidance to borrowers; and to assist in extending other Federal programs to people in rural areas.

Object Classification (in thousands of dollars)

Identification code	12-2001-0-1-452	1986 actual	1987 est.	1988 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	226,127	240,310	231,071
11.3	Other than full-time permanent	7,861	10,791	11,112
11.5	Other personnel compensation	3,391	5,130	4,944
11.9	Total personnel compensation	237,379	256,231	247,127
12.1	Personnel benefits: Civilian	35,343	41,653	56,854
13.0	Benefits for former personnel	893	898	938
21.0	Travel and transportation of persons	13,807	18,177	19,735
22.0	Transportation of things	1,762	1,784	1,974
23.2	Rental payments to others	11,955	13,300	14,769
23.3	Communications, utilities, and miscellaneous charges	24,806	27,168	30,352
24.0	Printing and reproduction	5,393	4,661	5,318
25.0	Other services	18,764	26,420	29,397
26.0	Supplies and materials	2,536	5,890	6,389
31.0	Equipment	2,518	2,068	2,079
42.0	Insurance claims and indemnities	112	266	183
43.0	Interest and dividends	11	29	30
99.0	Subtotal, direct obligations	355,279	398,545	415,145
99.0	Reimbursable obligations	279	635	635
99.9	Total obligations	355,558	399,180	415,780

Personnel Summary

Total number of full-time permanent positions	11,200	11,539	10,801
Total compensable workyears:			
Full-time equivalent employment	10,209	10,715	10,093
Full-time equivalent of overtime and holiday hours	84	160	135

[RURAL COMMUNITY FIRE PROTECTION GRANTS]*

*See Part II for additional information.

[For grants pursuant to section 7 of the Cooperative Forestry Assistance Act of 1978 (Public Law 95-313), \$3,091,000 to fund up to 50 per centum of the cost of organizing, training, and equipping rural volunteer fire departments.] (*Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

Program and Financing (in thousands of dollars)

Identification code	12-2067-0-1-452	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 41.0)	3,019	3,091	.....

General and special funds—Continued

[RURAL COMMUNITY FIRE PROTECTION GRANTS]—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code	12-2067-0-1-452	1986 actual	1987 est.	1988 est.
Financing:				
25.00	Unobligated balance lapsing	72		
40.00	Budget authority (appropriation)	3,091	3,091	
Relation of obligations to outlays:				
71.00	Obligations incurred, net	3,019	3,091	
72.40	Obligated balance, start of year	4,497	1,851	3,219
74.40	Obligated balance, end of year	-1,851	-3,219	-1,856
77.00	Adjustments in expired accounts	-2,672		
90.00	Outlays	2,993	1,723	1,363

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

Enacted/requested:	1986 actual	1987 est.	1988 est.
Budget authority	3,091	3,091	
Outlays	2,993	1,723	1,363
Rescission proposal:			
Budget authority		-2,300	
Outlays		-1,035	-115
Total:			
Budget authority	3,091	791	
Outlays	2,993	688	1,248

This assistance was authorized by section 7 of the Cooperative Forestry Assistance Act of 1978. Grants are made to public bodies to organize, train, and equip local firefighting forces, including those of Indian tribes or other native groups, to prevent, control, and suppress fires threatening human lives, crops, livestock, farmsteads or other improvements, pastures, orchards, wildlife, rangeland, woodland, and other resources in rural areas. In 1986, 1,729 grants were obligated for a total of \$3.019 million. It is anticipated that in 1987, 1,717 grants will be obligated for a total of \$3.091 million. No program is proposed for fiscal year 1988 because adequate credit sources are available to finance needed facilities.

[RURAL HOUSING FOR DOMESTIC FARM LABOR]*

*See Part II for additional information.

[For financial assistance to eligible nonprofit organizations for housing for domestic farm labor, pursuant to section 516 of the Housing Act of 1949, as amended (42 U.S.C. 1486), \$9,513,000.] (*Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

Program and Financing (in thousands of dollars)

Identification code	12-2004-0-1-604	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 41.0)	10,855	9,817	
Financing:				
17.00	Recovery of prior year obligations	-1,397		
21.40	Unobligated balance available, start of year	-249	-304	
24.40	Unobligated balance available, end of year	304		
40.00	Budget authority (appropriation)	9,513	9,513	
Relation of obligations to outlays:				
71.00	Obligations incurred, net	10,855	9,817	
72.40	Obligated balance, start of year	35,311	27,581	26,891
74.40	Obligated balance, end of year	-27,581	-26,891	-16,341
78.00	Adjustments in unexpired accounts	-1,397		
90.00	Outlays	17,188	10,507	10,550

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

Enacted/requested:	1986 actual	1987 est.	1988 est.
Budget authority	9,513	9,513	
Outlays	17,188	10,507	10,550
Rescission proposal:			
Budget authority		-7,400	
Outlays		-296	-1,850
Total:			
Budget authority	9,513	2,113	
Outlays	17,188	10,211	8,700

Rural housing for domestic farm labor.—This grant program is authorized under section 516 of the Housing Act of 1949, as amended. Grants are made to public and private nonprofit organizations for low-rent housing and related facilities for domestic farm labor. Grant assistance may not exceed 90 percent of the cost of a project, and may be used for construction of new structures, site acquisition and development, rehabilitation of existing structures, and purchase of furnishings and equipment for dwellings, dining halls, community rooms and infirmaries. No program is proposed for 1988. However, housing vouchers will be provided to continue meeting the specific needs of low income families in rural areas under the Rural Housing Voucher program.

GRANT OBLIGATIONS

	1986 actual	1987 est.	1988 est.
Number of grants	12	10	
Amount of grants (thousands of dollars)	\$10,855	\$9,817	

[MUTUAL AND SELF-HELP HOUSING]*

*See Part II for additional information.

[For grants and contracts pursuant to section 523(b)(1)(A) of the Housing Act of 1949 (42 U.S.C. 1490c), \$8,000,000.] (*Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

Program and Financing (in thousands of dollars)

Identification code	12-2006-0-1-604	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 41.0)	5,854	13,404	
Financing:				
17.00	Recovery of prior year obligations	-1,084		
21.40	Unobligated balance available, start of year	-2,564	-5,404	
24.40	Unobligated balance available, end of year	5,404		
40.00	Budget authority (appropriation)	7,610	8,000	
Relation of obligations to outlays:				
71.00	Obligations incurred, net	5,854	13,404	
72.40	Obligated balance, start of year	14,318	11,739	18,651
74.40	Obligated balance, end of year	-11,739	-18,651	-10,482
78.00	Adjustments in unexpired accounts	-1,084		
90.00	Outlays	7,349	6,492	8,169

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

Enacted/requested:	1986 actual	1987 est.	1988 est.
Budget authority	7,610	8,000	
Outlays	7,349	6,492	8,169
Rescission proposal:			
Budget authority		-8,000	
Outlays		-640	-3,200
Total:			
Budget authority	7,610		
Outlays	7,349	5,852	4,969

This program is authorized under section 523 of the Housing Act of 1949, as amended. Grants and contracts are made for the purpose of providing technical and supervisory assistance to groups of families to enable them to build their own homes through the mutual exchange of labor. No program is proposed for fiscal year 1988. However, housing vouchers will be provided to continue meeting the specific needs of low income families in rural areas under the Rural Housing Voucher program.

GRANT OBLIGATIONS

	1986 actual	1987 est.	1988 est.
Number of grants	34	80	.....
Amount of grants (thousands of dollars)	\$5,854	\$13,404	.....

[VERY LOW-INCOME HOUSING REPAIR GRANTS]*

*See Part II for additional information.

[For grants to the very low-income elderly for essential repairs to dwellings pursuant to section 504 of the Housing Act of 1949, as amended, \$12,500,000.] (*Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

Program and Financing (in thousands of dollars)

Identification code	12-2064-0-1-604	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 41.0)	13,891	12,500	.....
Financing:				
40.00	Budget authority (appropriation)	13,891	12,500	.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net	13,891	12,500	.....
72.40	Obligated balance, start of year	324	1,916	625
74.40	Obligated balance, end of year	-1,916	-625	.....
77.00	Adjustments in expired accounts	-219	.....	.....
90.00	Outlays	12,081	13,791	625

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

Enacted/requested:	1986 actual	1987 est.	1988 est.
Budget authority	13,891	12,500	.....
Outlays	12,081	13,791	625
Rescission proposal:			
Budget authority .....	.....	-9,400	.....
Outlays .....	.....	-8,930	-470
Total:			
Budget authority	13,891	3,100	.....
Outlays	12,081	4,861	155

This program is authorized under section 504 of the Housing Act of 1949, as amended. This grant program enables very low-income elderly residents in rural areas to improve or modernize their dwelling; to make the dwelling safer or more sanitary; or to remove health and safety hazards. A grant or a combination of a grant and a low-interest loan from the Rural housing insurance fund may be made to an eligible recipient for the needed work. No program is proposed for 1988. However, housing vouchers will be provided to continue meeting the specific needs of low income families in rural areas under the Rural Housing Voucher program.

GRANT OBLIGATIONS

	1986 actual	1987 est.	1988 est.
Number of grants	4,138	3,790	.....
Amount of grants (thousands of dollars)	\$13,891	\$12,500	.....

RURAL [RENTAL ASSISTANCE PAYMENTS] HOUSING VOUCHER PROGRAM

For necessary expenses to operate a housing voucher program under section 8(o) of the United States Housing Act of 1937, as amended (42 U.S.C. 1437(f), to be administered by the Secretary of Agriculture, notwithstanding the limitations in section 8(o)(1) of such Act that the Secretary conduct a demonstration, and in section 8(o)(4) of such Act that the Secretary use substantially all authority in connection with certain programs, in connection with the rental rehabilitation program under Section 17 of such Act and for any other purposes as determined by the Secretary, \$378,130,000.

Program and Financing (in thousands of dollars)

Identification code	12-2002-0-1-604	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 41.0) .....	.....	.....	378,130
Financing:				
40.00	Budget authority (appropriation) .....	.....	.....	378,130
Relation of obligations to outlays:				
71.00	Obligations incurred, net .....	.....	.....	378,130
72.40	Obligated balance, start of year	100,412	93,508	79,439
74.40	Obligated balance, end of year	-93,508	-79,439	-437,723
77.00	Adjustments in expired accounts	-468	.....	.....
90.00	Outlays	6,436	14,069	19,846

This is a new program proposed for implementation in FY 1988. It replaces the rural rental assistance payments program which was authorized under section 521 of the Housing Act of 1949, as amended. The objective of that program was to reduce rents paid by low-income families living in FmHA financed rental projects and farm labor housing projects. Under that program, low-income tenants contributed the higher of (1) 30 percent of monthly adjusted income, (2) 10 percent of monthly income, or (3) designated housing payment from a welfare agency. Payments were made to the project owner to make up the difference between the tenants' rent payments and the approved rental rates for the units.

Therefore, funding for the purpose of providing rental assistance for newly constructed units was provided in limited amounts in 1986 and 1987 under the Rural housing insurance fund. The Fund continues in fiscal year 1988 to finance existing rental assistance contracts.

In fiscal year 1988, a housing voucher program authorized under section 8(o) of the United States Housing Act of 1937, as amended (42 U.S.C. 1437f), will be implemented. This program will support 21,200 units annually, including 1,200 units of voucher assistance to families displaced by prepayment of section 515 rental assistance projects.

The housing voucher program provides tenants the flexibility to choose housing to meet their needs and to determine the appropriate level of expenditure to be made for housing. Further, unlike the rental assistance program, the housing voucher goes with the tenant should he or she decide to move.

VOUCHER OBLIGATIONS

	1986 actual	1987 est.	1988 est.
Number of units assisted	21,200
Amount of vouchers (thousands of dollars)	378,130

General and special funds—Continued

[COMPENSATION FOR CONSTRUCTION DEFECTS]*

*See Part II for additional information.

[For compensation for construction defects as authorized by section 509(c) of the Housing Act of 1949, as amended, \$713,000.] (*Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

Program and Financing (in thousands of dollars)

Identification code	12-2071-0-1-371	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 41.0)	269	713	
Financing:				
25.00	Unobligated balance lapsing	444		
40.00	Budget authority (appropriation)	713	713	
Relation of obligations to outlays:				
71.00	Obligations incurred, net	269	713	
72.40	Obligated balance, start of year	134		
77.00	Adjustments in expired accounts	-3		
90.00	Outlays	400	713	

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dollars]

Enacted/requested:	1986 actual	1987 est.	1988 est.
Budget authority	713	713	
Outlays	400	713	
Rescission proposal:			
Budget authority		-500	
Outlays		-500	
Total:			
Budget authority	713	213	
Outlays	400	213	

This program is carried out under the provisions of section 509(c) of the Housing Act of 1949, as amended. The Secretary of Agriculture is authorized to make expenditures to correct structural defects, or to pay claims of owners arising from such defects on newly constructed dwellings purchased with FmHA financial assistance. Requests for compensation for construction defects must be made within 18 months after the date financial assistance was granted. No program is proposed for fiscal year 1988.

A summary of the activity for compensation for construction defects is as follows:

GRANT OBLIGATIONS

	1986 actual	1987 est.	1988 est.
Number of payments	100	257	
Amount of payments (thousands of dollars)	\$269	\$713	

[RURAL HOUSING PRESERVATION GRANTS]*

*See Part II for additional information.

[For grants for rural housing preservation as authorized by section 552 of the Housing and Urban-Rural Recovery Act of 1983 (Public Law 98-181), \$19,140,000.] (*Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

Program and Financing (in thousands of dollars)

Identification code	12-2070-0-1-604	1986 actual	1987 est.	1988 est.
Program by activity:				
10.00	Total obligations (object class 41.0)	19,140	19,140	
Financing:				
39.00	Budget authority	19,140	19,140	

Budget authority:				
40.00	Appropriation		19,140	
50.00	Reappropriation		19,140	
Relation of obligations to outlays:				
71.00	Obligations incurred, net	19,140	19,140	
72.40	Obligated balance, start of year		19,140	14,355
74.40	Obligated balance, end of year	-19,140	-14,355	
90.00	Outlays	23,925	14,355	

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dollars]

Enacted/requested:	1986 actual	1987 est.	1988 est.
Budget authority	19,140	19,140	
Outlays		23,925	14,355
Rescission proposal:			
Budget authority		-14,400	
Outlays		-3,600	-10,800
Total:			
Budget authority	19,140	4,740	
Outlays		20,325	3,555

This grant program is authorized under section 533 of the Housing Act of 1949, as amended. Grants are made to eligible private nonprofit groups, Indian tribes, or government agencies for rehabilitation of single family housing owned by low- and very low-income families and the rehabilitation of rental and cooperative housing for low- and very low-income families. No program is proposed for fiscal year 1988. However, housing vouchers will be provided to continue meeting the specific needs of low income families in rural areas under the Rural housing voucher program.

A summary of the activity for housing preservation grants is as follows:

GRANT OBLIGATIONS

	1986 actual	1987 est.	1988 est.
Number of grants	129	125	
Amount of grants (thousands of dollars)	\$19,140	\$19,140	

MISCELLANEOUS EXPIRING APPROPRIATIONS

Program and Financing (in thousands of dollars)

Identification code	12-9912-0-1-999	1986 actual	1987 est.	1988 est.
Relation of obligations to outlays:				
71.00	Obligations incurred, net			
72.40	Obligated balance, start of year	1,695	669	
74.40	Obligated balance, end of year	-669		
77.00	Adjustments in expired accounts	-253		
90.00	Outlays	773	669	
Distribution of outlays by account:				
	Rural development grants	807	669	
	Rural housing supervisory assistance grants	-34		

Public enterprise funds:

AGRICULTURAL CREDIT INSURANCE FUND

[For direct and guaranteed loans as authorized by 7 U.S.C. 1928-1929, to be available from funds in the Agricultural Credit Insurance Fund, as follows: Farm ownership loans; \$400,000,000 of which \$325,000,000 shall be guaranteed loans; \$14,000,000 for water development, use, and conservation loans of which \$3,000,000 shall be guaranteed loans; operating loans, \$3,595,000,000 of which \$2,170,000,000 shall be guaranteed loans; Indian tribe land acquisition loans as authorized by 25 U.S.C. 488, \$2,000,000; and for emergency insured and guaranteed loans, \$695,000,000 to meet the needs resulting from natural disasters.] *During fiscal year 1988 and within the resources*

and authority available, gross obligations for the principal amount of direct loans shall not exceed \$1,295,000,000, of which \$1,000,000,000 shall be for operating loans and \$295,000,000 shall be for emergency insured loans to meet the needs resulting from natural disasters. During fiscal year 1988, total commitments to guarantee operating loans may be made only to the extent that the total loan principal, any part of which is to be guaranteed, shall not exceed \$2,500,000,000.

For an additional amount to reimburse the Agricultural Credit Insurance Fund for interest subsidies and losses sustained in prior years, but not previously reimbursed, in carrying out the provisions of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1988(a)), **[\$1,723,403,000] \$3,640,153,000.**

[Sec. 633. (e)(1) The Secretary of Agriculture shall reduce the amount of funds available for emergency insured and guaranteed loans to meet the needs resulting from natural disasters from funds in the Agricultural Credit Insurance Fund by \$400,000,000.]

[(2) For purposes of making payments in accordance with this proviso, there is transferred to the Commodity Credit Corporation \$400,000,000 from funds in the Agricultural Credit Insurance Fund.] (7 U.S.C. 1928-1929; Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)

Program and Financing (in thousands of dollars)

Identification code	12-4140-0-3-351	1986 actual	1987 est.	1988 est.
Program by activities:				
Capital investment:				
00.01	Loans obligated.....	2,798,696	1,817,156	1,600,000
Loans made:				
00.02	Payment of delinquent installments.....	743	700	650
00.03	Advances on behalf of borrowers.....	130,993	190,000	225,000
00.04	Purchase of loans from investors.....	15,988	752	20,141
00.05	Purchase of certificates of beneficial ownership.....	22,610	16,635	68,336
00.06	Interest on loans purchased from investors..	159	10	257
00.07	Collateral acquired by default.....	26,231	30,000	35,000
00.08	Disbursement of loan repayments to investors.....	9,676	7,500	6,500
00.09	Purchase of guaranteed loans from investors.....	7,027	10,000	13,400
00.10	Interest on guaranteed loans purchased from investors.....	1,011	1,500	2,100
00.11	Other capital investment.....	250		
00.91	Total capital investment.....	3,013,383	2,074,253	1,971,384
Operating expenses:				
01.01	Administrative expense.....	84,855	77,037	65,961
01.02	Interest on certificates of beneficial ownership.....	3,501,132	3,513,501	3,472,216
01.03	Premium interest for investors.....	32,484	28,410	28,449
01.04	Interest on participation certificates.....	2,361	1,831	1,496
01.04	Interest on participation certificates.....	11,133	11,133	6,270
01.05	Interest expense on withheld collections.....	25,378	31,000	36,000
01.06	Interest on borrowings.....	650,504	700,000	675,000
01.07	Loss settlement expense on guaranteed loans.....	54,250	97,700	161,500
01.08	Unfilled orders.....	7,201	13,901	37,694
01.09	Undistributed charges.....	— 646		
01.10	Other expense.....	10,464	23,225	15,736
01.11	Interest buy-down expense.....	9,572	290,268	185,000
01.91	Total operating expenses.....	4,388,689	4,788,006	4,685,322
10.00	Total obligations.....	7,402,072	6,862,259	6,656,706
Financing:				
Offsetting collections from:				
11.00	Federal funds: Investment income from participation sales fund.....	— 22,293	— 22,329	— 12,201
Non-Federal sources:				
14.00	Repayments on loans held by the fund.....	— 2,867,875	— 2,600,000	— 2,500,000
14.00	Loan repayments received on behalf of investors.....	— 9,676	— 7,500	— 6,500
14.00	Repayments on advances.....	— 13,177	— 20,000	— 25,000
14.00	Repayment on guaranteed loans purchased from investors.....	— 2,700	— 5,200	— 8,800
14.00	Proceeds from sale of acquired property and chattels.....	— 34,708	— 43,100	— 53,925
14.00	Payments on judgments.....	— 598	— 700	— 800
14.00	Insurance premiums.....	— 47	— 40	— 35
14.00	Guarantee fees.....	— 10,018	— 22,500	— 25,500
14.00	Interest revenue.....	— 1,045,947	— 1,002,200	— 1,052,985
14.00	Fees and other revenue.....	— 17,687	— 18,100	— 21,100

22.98	Unobligated balance transferred, net: Fund balance.....			— 178,310
31.00	Redemption of debt.....	1,250,000	385,000	913,310
39.00	Budget authority.....	4,627,347	3,505,590	3,684,860
Budget authority:				
Current:				
40.00	Appropriation.....	1,078,243	1,723,403	3,640,153
41.00	Transferred to other accounts.....		— 400,000	
43.00	Appropriation (adjusted).....	1,078,243	1,323,403	3,640,153
Permanent:				
67.10	Authority to borrow (7 U.S.C. 1929(c)) (indefinite).....	2,079,104	2,182,187	44,707
67.10	Authority to borrow (12 U.S.C. 2281-96) (indefinite).....	1,470,000		
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	3,377,347	3,120,590	2,949,860
Obligated balance, start of year:				
72.47	Authority to borrow.....	1,801,685	1,954,955	1,837,142
72.98	Fund balance.....	105,544	15,077	66,044
Obligated balance, end of year:				
74.47	Authority to borrow.....	— 1,954,955	— 1,837,142	— 1,881,849
74.98	Fund balance.....	— 15,077	— 66,044	— 82,746
77.00	Adjustments in expired accounts.....	— 80,834		
90.00	Outlays.....	3,233,710	3,187,436	2,888,451

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dollars]				
Enacted/requested:	1986 actual	1987 est.	1988 est.	
Budget authority.....	4,627,347	3,505,590	3,684,860	
Outlays.....	3,233,710	3,187,436	2,888,451	
Proposed for later transmittal under proposed legislation:				
Budget authority.....			50,000	
Outlays.....			— 133,250	
Total:				
Budget authority.....	4,627,347	3,505,590	3,734,860	
Outlays.....	3,233,710	3,187,436	2,755,201	

Status of Direct Loans (in thousands of dollars)

Identification code	12-4140-0-3-351	1986 actual	1987 est.	1988 est.
Position with respect to appropriation act limitation on obligations:				
Limitation on obligations:				
1111	Real estate loans.....	392,648	77,000	130,000
1111	Soil and water loans.....	21,054	11,000	
1111	Operating loans ¹	2,203,180	1,425,000	870,000
1111	Transferred from Soil Conservation Service.....	15,312	9,156	
1111	Disaster loans.....	544,100	295,000	600,000
1111	Total limitation on direct loans to the public.....	3,176,294	1,817,156	1,600,000
1112	Unused balance of direct loan limitation expiring.....	— 377,598		
1150	Total direct loan obligations.....	2,798,696	1,817,156	1,600,000
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year.....	28,562,538	28,698,042	27,774,515
Disbursements:				
1231	Direct loan disbursements.....	2,857,986	1,889,536	1,618,826
1233	Purchase of loan assets from the public.....	38,701	17,387	88,477
1251	Repayments: Repayments and prepayments.....	— 2,881,052	— 2,620,000	— 2,525,000
Adjustments:				
1261	Capitalized interest.....	450,502	380,000	300,000
1262	Write-offs for default.....	— 204,768	— 500,100	— 400,100
1264	Other adjustments, net ²	— 125,865	— 90,350	— 84,400
1290	Outstanding, end of year.....	28,698,042	27,774,515	26,772,318

¹ The 1986 direct loan limitation includes \$700 million for operating loans transferred from the emergency disaster loan program.

² Amounts shown are based on payment of delinquent installments, advances on behalf of borrowers, loans in kind—acquired real property, acquired property, acquired chattels, judgments, and other.

Public enterprise funds—Continued

AGRICULTURAL CREDIT INSURANCE FUND—Continued

Status of Guaranteed Loans (in thousands of dollars)

Position with respect to appropriation act limitation on commitments:				
Limitation on commitments:				
2111	Real estate loans.....	249,250	325,000	390,000
2111	Soil and water loans.....	5,742	3,000	
2111	Operating loans.....	1,660,900	2,170,000	2,610,000
2111	Total, limitation on guaranteed loans made by private lenders.....	1,915,892	2,498,000	3,000,000
2112	Unused balance of limitation expiring.....	—356,321		
2150	Total guaranteed loan commitments.....	1,559,571	2,498,000	3,000,000
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year.....	1,384,627	2,160,573	3,258,234
2231	Disbursements: Disbursements of new guaranteed loans...	1,159,847	1,793,998	2,561,573
2251	Repayments: Repayments and prepayments.....	—288,918	—579,800	—954,400
Adjustments:				
2262	Terminations for default that result in acquisition of property.....	—128	—150	—150
2263	Terminations for default that result in claim payments.....	—60,425	—107,000	—173,600
2264	Other adjustments, net ¹	—34,430	—9,387	—77,477
2290	Outstanding, end of year.....	2,160,573	3,258,234	4,614,180

MEMORANDUM

2299	U.S. contingent liability for guaranteed loans outstanding, end of year.....	1,933,023	2,911,284	4,098,073
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¹ Amounts shown are based on assumption agreements, repurchases of loans and CBO's from investors, and other.

Authority for the Agricultural Credit Insurance Fund was extended from fiscal year 1986 through 1988 by the Food Security Act of 1985, Public Law 99-198, signed December 23, 1985. This legislation also provided levels of funding for emergency disaster loans. The loan levels reflected for 1988 are consistent with those established by the Food Security Act of 1985.

The Agricultural Credit Insurance Fund is used to insure or guarantee farm ownership, soil and water, farm operating, and emergency loans to individuals. Associations, Indian tribes and tribal corporations are eligible for the following types of loans: Indian land acquisition, watershed protection, flood prevention, and resource conservation and development.

The 1988 budget proposes to maintain approximately a \$4 billion program level each year. Funding is proposed to be limited to farm operating and emergency disaster loan purposes. By 1992, all farm operating loans will be provided on a guaranteed basis.

The following table shows the 1986 actual and estimated 1987 and 1988 number of loans and program levels. The guaranteed program levels reflect the full principal amount of the loan of which part is guaranteed by the U.S. Government.

LOAN OBLIGATIONS

(In millions of dollars)

	1986 actual		1987 estimate		1988 estimate	
	Number	Amount	Number	Amount	Number	Amount
Agricultural credit insurance fund:						
Insured farm ownership loans.....	4,032	\$371.4	790	\$75.0	1,325	\$130.0
Guaranteed farm ownership loans..	1,265	192.0	2,080	325.0	2,410	390.0
Insured farm operating loans.....	49,474	2,203.2	31,100	1,425.0	18,345	870.0
Guaranteed farm operating loans...	14,772	1,367.3	22,785	2,170.0	26,480	2,610.0
Emergency disaster loans.....	5,584	217.8	7,350	295.0	14,445	600.0
Insured soil and water loans.....	279	4.6	642	11.0		
Guaranteed soil and water loans...	6	.3	65	3.0		
Indian tribe land acquisition loans..	2	1.4	2	2.0		
Watershed protection and flood prevention loans.....	2	.3	2	8.0		

Resource conservation and development loans.....			2	1.2		
Total, Agricultural credit insurance fund.....	75,416	4,358.3	64,818	4,315.2	63,005	4,600.0

The new obligational authority required for "Insufficiencies" is computed as follows (in thousands of dollars):

	1986 actual	1987 est.	1988 est.
Interest accrued on participation certificates.....	11,133	11,133	6,270
Amortized discount on participation certificates.....	5	5	5
Interest accrued on an equal amount of loans in the pool.....	—682	—500	—500
Insufficiency.....	10,456	10,638	5,775
Financed by:			
Investment income from:			
Participation sales trust fund.....	—22,293	—22,329	—12,201
Retained earnings reserved to meet insufficiencies.....	11,837	11,691	6,426
New obligational authority required.....			

Revenue and Expense (in thousands of dollars)

	1986 actual	1987 est.	1988 est.
Operating income or loss (—):			
Revenue.....	2,243,322	2,257,722	2,256,036
Expense.....	—6,773,551	—6,537,916	—6,660,739
Net operating loss.....	—4,530,229	—4,280,194	—4,404,703
Nonoperating income or loss (—):			
Proceeds from sale of acquired property:			
Cash.....	46,168	43,100	53,925
Loans receivable.....	70,972	100,000	125,000
Total proceeds from sale.....	117,140	143,100	178,925
Net book value of assets sold.....	—225,848	—271,600	—327,525
Net nonoperating loss.....	—108,707	—128,500	—148,600
Net loss for the year.....	—4,638,936	—4,408,694	—4,553,303

Financial Condition (in thousands of dollars)

	1985 actual	1986 actual	1987 est.	1988 est.
Assets:				
Selected assets:				
Fund balance with Treasury.....	105,544	15,077	66,044	82,746
Accounts receivable (net).....	3,632,304	4,169,659	4,720,244	5,143,976
Loans receivable (net).....	24,126,747	23,572,628	23,012,816	22,265,619
Real property (net).....	911,303	839,872	1,000,656	1,175,419
Other assets (net):				
Judgments.....	5,487	4,666	6,191	8,741
Deferred charges and unamortized discount on participation certificates and loans sold.....	669	14	4	—1
Guaranteed loans purchased from holders.....	9,370	11,533	13,933	16,233
Total assets.....	28,791,424	28,613,449	28,819,888	28,692,733
Liabilities:				
Selected liabilities:				
Accounts payable and accrued liabilities.....	1,459,121	1,662,814	1,672,583	1,669,454
Advances received.....	153,474	162,500	169,460	174,273
Debt issued under borrowing authority:				
Borrowings from Treasury.....	6,220,500	8,065,500	10,365,500	10,015,500
Borrowings from FFB.....	28,175,000	28,395,000	28,010,000	27,625,000
Participation certificates outstanding.....	178,310	178,310	178,310	
Principal repayments to be applied to redemption of participation certificates.....	—154,122	—154,122	—154,122	
Other liabilities: Provision for potential losses on loans sold or guaranteed..	79,972	107,617	146,719	209,118
Total liabilities.....	36,112,255	38,417,619	40,388,450	39,693,345

Government equity:

Selected equities:				
Unexpended balance:				
Unobligated balance.....	1,773,055	2,147,349	2,804,551	3,262,127
Undelivered orders.....	352,197	212,072	139,694	120,868
Invested capital.....	—9,446,084	—12,163,592	—14,512,807	—14,383,607
Total Government equity.....	—7,320,832	—9,804,171	—11,568,562	—11,000,612

Analysis of changes in Government equity:

Paid-in capital:				
Opening balance.....	6,294,479	7,371,833	8,692,733	
Transactions:				
Unfunded administrative expense.....	158,886	170,000	180,000	
Unfunded accrued annual leave.....	11	400	500	
Unfunded depreciation expense.....	447	500	600	
Imputed interest.....	918,010	1,150,000	1,300,000	
Closing balance.....	7,371,833	8,692,733	10,173,833	
Retained income or loss (—):				
Opening balance.....	—13,615,310	—17,176,004	—20,261,295	
Transactions:				
Net operating loss.....	—4,530,229	—4,280,194	—4,404,703	
Net nonoperating loss.....	—108,707	—128,500	—148,600	
Appropriation to meet deficit.....	1,078,243	1,323,403	3,640,153	
Closing balance.....	—17,176,004	—20,261,295	—21,174,445	
Total Government equity (end of year).....	—9,804,171	—11,568,562	—11,000,612	

Note.—This statement excludes unfunded contingent liabilities under insurance programs in principal amounts in 1985, \$496,564 thousand; 1986, \$1,933,023 thousand; 1987, \$2,911,284 thousand and 1988, \$4,098,073 thousand.

Object Classification (in thousands of dollars)

Identification code 12-4140-0-3-351	1986 actual	1987 est.	1988 est.
Personnel compensation:			
11.1 Full-time permanent.....	34,062	34,246	31,492
11.3 Other than full-time permanent.....	9,610	10,489	8,400
11.5 Other personnel compensation.....	3,064	2,520	2,262
11.9 Total personnel compensation.....	46,736	47,255	42,154
12.1 Personnel benefits: Civilian.....	5,920	6,250	7,779
13.0 Benefits for former personnel.....	142	142	
21.0 Travel and transportation of persons.....	3,916	4,012	2,539
22.0 Transportation of things.....	280	298	178
23.1 Rental payments to GSA.....	463	482	501
23.2 Rental payments to others.....	1,849	2,940	1,701
23.3 Communications, utilities, and miscellaneous charges.....	3,867	5,789	3,646
24.0 Printing and reproduction.....	748	831	526
25.0 Other services.....	83,238	125,415	177,594
26.0 Supplies and materials.....	592	848	537
31.0 Equipment.....			
33.0 Investments and loans.....	3,009,817	2,079,144	2,000,221
43.0 Interest and dividends.....	4,224,483	4,570,220	4,406,418
43.0 Interest on participation certificates.....	11,133	11,133	6,270
44.0 Refunds.....	9,676	7,500	6,500
92.0 Undistributed charges.....	—646		
99.9 Total obligations.....	7,402,072	6,862,259	6,656,706

Personnel Summary

Total number of full-time permanent positions.....	27	27	27
Total compensable workyears:			
Full-time equivalent employment.....	2,185	2,281	1,965
Full-time equivalent of overtime and holiday hours.....	80	45	45

AGRICULTURAL CREDIT INSURANCE FUND

(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identification code 12-4140-2-3-351	1986 actual	1987 est.	1988 est.
Program by activities:			
00.01 Capital investment: Loans obligated.....			—305,000
10.00 Total obligations (object class 33.0).....			—305,000

Financing:

31.00 Redemption of debt.....			355,000
47.10 Budget authority (authority to borrow, 7 U.S.C. 1929(c)) (indefinite).....			50,000
Relation of obligations to outlays:			
71.00 Obligations incurred, net.....			—305,000
Obligated balance, end of year:			
74.47 Authority to borrow.....			305,000
74.98 Fund balance.....			—133,250
90.00 Outlays.....			—133,250

Status of Direct Loans (in thousands of dollars)

Identification code 12-4140-2-3-351	1986 actual	1987 est.	1988 est.
Position with respect to appropriation act limitation on obligations:			
1111 Limitation on direct loans to the public.....			—305,000
1150 Total direct loan obligations.....			—305,000
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year.....			
1231 Disbursements: Direct loan disbursements.....			—283,250
1251 Repayments: Repayments and prepayments.....			150,000
1290 Outstanding, end of year.....			—133,250

Status of Guaranteed Loans (in thousands of dollars)

Position with respect to appropriation act limitation on commitments:			
Limitation on guaranteed loans made by private lenders:			
2111 Real estate loans.....			—390,000
2111 Operating loans.....			—110,000
2150 Total guaranteed loan commitments.....			—500,000
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year.....			
2231 Disbursements: Disbursement of new guaranteed loans.....			—180,500
2290 Outstanding, end of year.....			—180,500
MEMORANDUM			
2299 U.S. contingent liability for guaranteed loans outstanding, end of year.....			—162,450

Legislation will be proposed to amend Public Law 99-198 which authorizes the loan levels for the farm ownership, operating and emergency disaster loans. Legislation will be proposed to support a \$3.5 billion operating loan program and a \$295 million emergency disaster loan program, somewhat less than farm bill levels, but consistent with expected requirements.

Program Levels

(In millions of dollars)

	Regular request	Proposed legislation	Change
Agricultural credit insurance fund:			
Insured farm ownership loans.....	\$130		\$—130
Guaranteed farm ownership loans.....	390		—390
Insured farm operating loans.....	870	\$1,000	130
Guaranteed farm operating loans.....	2,610	2,500	—110
Emergency disaster loans.....	600	295	—305
Total.....	\$4,600	\$3,795	\$—805

[SELF-HELP HOUSING LAND DEVELOPMENT FUND]

[For direct loans pursuant to section 523(b)(1)(B) of the Housing Act of 1949, as amended (42 U.S.C. 1490c), \$500,000 shall be available from funds in the Self-Help Housing Land Development Fund.] (Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)

Public enterprise funds—Continued

[SELF-HELP HOUSING LAND DEVELOPMENT FUND]—Continued

Program and Financing (in thousands of dollars)

Identification code 12-4222-0-3-371	1986 actual	1987 est.	1988 est.
Program by activities:			
10.00 Total obligations (object class 33.0)	620	500	.....
Financing:			
14.00 Offsetting collections from: Non-Federal sources	-136	-131	-421
21.98 Unobligated balance available, start of year: Fund balance	-2,445	-2,961	-2,592
24.98 Unobligated balance available, end of year: Fund balance	2,961	2,592	3,013
40.00 Budget authority (appropriation)	1,000		
Relation of obligations to outlays:			
71.00 Obligations incurred, net	484	369	-421
72.98 Obligated balance, start of year: Fund balance	1,268	1,587	1,470
74.98 Obligated balance, end of year: Fund balance	-1,587	-1,470	-592
90.00 Outlays	165	486	457

Status of Direct Loans (in thousands of dollars)

Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans to the public	1,000	500	.....
1112 Unused balance of direct loan limitation expiring	-380		.....
1150 Total direct loan obligations	620	500	.....
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	128	300	800
1231 Disbursements: Direct loan disbursements	300	615	865
1251 Repayments: Repayments and prepayments	-128	-115	-390
1290 Outstanding, end of year	300	800	1,275

The Self-help housing land development fund is authorized under Section 523(b)(1)(B) of the Housing Act of 1949, as amended. The fund provides qualified public or private nonprofit organizations with financing for the acquisition and development of building sites for homes to be constructed by the self-help method. No program level is proposed for fiscal year 1988. However, housing vouchers will be provided to continue meeting the specific needs of low income families in rural areas under the Rural housing voucher program.

Loan Obligations

	1986 actual	1987 est.	1988 est.
Number of loans	1	2	.....
Amount of loans (thousands of dollars)	\$620	\$500	.....

Revenue and Expense (in thousands of dollars)

	1986 actual	1987 est.	1988 est.
Operating income or loss (-):			
Revenue	8	16	31
Expense	-1,468	-1,557	-1,631
Net loss for the year	-1,460	-1,541	-1,600

Financial Condition (in thousands of dollars)

	1985 actual	1986 actual	1987 est.	1988 est.
Assets:				
Selected assets:				
Fund balance with Treasury	3,713	4,548	4,062	3,605
Accounts receivable (net)	6	8	10	23
Loans receivable (net)	128	300	800	1,275
Real property (acquired)	456	455	455	455
Total assets	4,303	5,311	5,327	5,358

Liabilities:

Total liabilities				
Government equity:				
Selected equities:				
Unexpended balances:				
Unobligated balance	2,445	2,961	2,592	3,013
Undelivered orders	1,275	1,595	1,480	615
Invested capital	583	755	1,255	1,730
Total Government equity	4,303	5,311	5,327	5,358

Analysis of changes in Government equity:

Paid-in capital:				
Opening balance		16,750	19,219	20,776
Transactions:				
Appropriation		1,000		
Unfunded administrative expenses		655	661	665
Unfunded accrued annual leave			1	1
Unfunded depreciation expense		1	1	1
Imputed interest		813	894	964
Closing balance		19,219	20,776	22,407
Retained income or loss (-):				
Opening balance		-12,447	-13,908	-15,449
Transactions: Net operating loss		-1,460	-1,541	-1,600
Closing balance		-13,908	-15,449	-17,049
Total Government equity (end of period)		5,311	5,327	5,358

RURAL HOUSING INSURANCE FUND*

*See Part II for additional information.

[From funds in the Rural Housing Insurance Fund, and for insured loans as authorized by title V of the Housing Act of 1949, as amended, \$2,033,093,000, of which not less than \$2,032,519,000 shall be for subsidized interest loans to low-income borrowers, as determined by the Secretary, and for subsequent loans to existing borrowers or to purchasers under assumption agreements or credit sales; and not to exceed \$10,000,000 to enter into collection and servicing contracts pursuant to the provisions of section 3(f)(3) of the Federal Claims Act of 1966 (31 U.S.C. 3718).] During fiscal year 1988, no new direct loan obligations may be made.

[For rental assistance agreements entered into or renewed pursuant to the authority under section 521(a)(2) of the Housing Act of 1949, as amended, total new obligations shall not exceed \$160,310,000 to be added to and merged with the authority provided for this purpose in prior fiscal years: *Provided*, That of this amount, not to exceed \$28,413,000 is available for additional units financed by section 515 of the Housing Act of 1949, as amended, and not less than \$5,082,000 is for additional units financed under sections 514 and 516 of the Housing Act of 1949: *Provided further*, That agreements entered into or renewed during fiscal year 1987 shall be funded for a five-year period, although the life of any such agreement may be extended to fully utilize amounts obligated: *Provided further*, That agreements entered into or renewed during fiscal years 1984, 1985, and 1986, may also be extended beyond five years to fully utilize amounts obligated.]

For an additional amount to reimburse the Rural Housing Insurance Fund for interest subsidies and losses sustained in prior years, but not previously reimbursed, in carrying out the provisions of title V of the Housing Act of 1949, as amended (42 U.S.C. 1483, 1487(e), and 1490a(c)), including [\$2,247,000] \$2,185,000 as authorized by section 521(c) of the Act, [\$2,296,283,000] \$2,964,249,000. For an additional amount as authorized by section 521(c) of the Act such sums as may be necessary to reimburse the fund to carry out a rental assistance program under section 521(a)(2) of the Housing Act of 1949 as amended. (Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)

Program and Financing (in thousands of dollars)

Identification code 12-4141-0-3-371	1986 actual	1987 est.	1988 est.
Program by activities:			
Capital investment:			
Loans obligated	1,825,362	2,033,093	.....

Loans made:			
00.02	Payment of delinquent installments	281	200
00.03	Advances on behalf of borrowers	34,384	35,100
00.04	Purchase of loans from investors	49,994	2,000
00.05	Purchase of certificates of beneficial ownership	81,801	10,017
00.06	Interest on loans purchased from investors ..	74	.....
00.07	Collateral acquired by default	71,577	72,000
00.08	Judgments	96	200
00.09	Disbursement of loan repayments to investors	36,943	27,000
00.10	Purchase of guaranteed loans from investors	575	.....
00.11	Interest on guaranteed loans from investors ..	89	.....
00.91	Total capital investment	2,101,176	2,179,610
Operating expenses:			
01.01	Administrative expense	41,259	53,500
01.02	Interest on certificates of beneficial ownership ¹	3,544,573	3,472,491
01.02	Interest on FFB borrowings	41,327	36,591
01.03	Premium interest for investors	1,553	1,200
01.04	Interest on participation certificates	5,013	5,013
01.05	Interest expense on withheld collections	2,920	2,700
01.06	Interest on borrowings	267,763	291,000
01.07	Interest supplements	719	600
01.08	Rental assistance payments	160,303	160,310
01.10	Loss settlement expense on guaranteed loans ..	152	225
01.11	Other expense	10,829	9,775
01.91	Total operating expenses	4,076,411	4,033,405
10.00	Total obligations	6,177,587	6,213,015
Financing:			
Offsetting collections from:			
11.00	Federal funds: Investment income from participations sales fund	-9,588	-9,604
Non-Federal sources:			
14.00	Repayments on loans held by the fund	-1,482,744	-1,485,000
14.00	Loan repayments received on behalf of investors	-36,943	-27,000
14.00	Repayments on advances	-16,225	-17,200
14.00	Sale of loans	-20,216	-12,000
14.00	Proceeds from sale of acquired property	-104,184	-115,000
14.00	Payments on judgments	-1,157	-3,000
14.00	Insurance premiums	-37	-50
14.00	Guarantee fees	-24	.....
14.00	Interest revenue ²	-1,445,600	-1,395,900
14.00	Principal attributed to subsidy recoveries ..	-11,992	-18,000
14.00	Subsidy recoveries	-11,152	-17,000
14.00	Fees and other revenue	-3,677	-3,500
14.00	Repayments on guaranteed loans purchased from investors	-91	.....
14.00	Sale of loans without recourse .....	.....	-1,884,056
22.98	Unobligated balance transferred, net: Fund balance .....	.....	-80,287
31.00	Redemption of debt .....	.....	1,860,000
32.47	Balance of authority to borrow withdrawn .....	.....	1,630,308
39.00	Budget authority	3,033,956	3,085,705
Budget authority:			
Current:			
40.00	Appropriation	1,832,863	2,296,283
40.00	Appropriation (indefinite)	145,232	179,524
Permanent:			
67.10	Authority to borrow (42 U.S.C. 1487 (h)) (indefinite)	305,861	609,898
67.10	Authority to borrow (12 U.S.C. 2281-96) (indefinite)	750,000	.....
Relation of obligations to outlays:			
71.00	Obligations incurred, net	3,033,956	1,225,705
Obligated balance, start of year:			
72.47	Authority to borrow	5,061,446	4,791,604
72.98	Fund balance	31,027	14,579
Obligated balance, end of year:			
74.47	Authority to borrow	-4,791,604	-4,701,502
74.98	Fund balance	-14,579	-46,833
77.00	Adjustments in expired accounts	-85,703	.....
90.00	Outlays	3,234,543	1,283,553

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dollars]

Enacted/requested:	1986 actual	1987 est.	1988 est.
Budget authority	3,033,956	3,085,705	3,124,606
Outlays	3,234,543	1,283,553	1,404,006
Supplemental under existing legislation:			
Budget authority .....	.....	-609,898	.....
Outlays .....	.....	-786,000	-570,000
Total:			
Budget authority	3,033,956	2,475,807	3,124,606
Outlays	3,234,543	497,553	834,006

Status of Direct Loans (in thousands of dollars)

Identification code 12-4141-0-3-371	1986 actual	1987 est.	1988 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans to the public	2,033,093	2,033,093	.....
1112 Unused balance of direct loan limitation expiring	-207,731	.....	.....
1150 Total direct loan obligations	1,825,362	2,033,093	.....
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	28,680,034	29,295,057	27,486,809
Disbursements:			
1231 Direct loan disbursements	2,214,937	1,990,000	986,000
1233 Purchase of loan assets from the public	131,794	12,017	289,967
Repayments:			
1251 Repayments and prepayments	-1,498,970	-1,502,200	-1,441,800
1253 Loan asset sales to the public	-20,217	-1,896,057	-1,048,400
Adjustments:			
1261 Capitalized interest	25,171	21,600	21,500
1262 Write-offs for default	-16,153	-16,600	-15,900
1264 Other adjustments, net ¹	-221,539	-417,008	-241,817
1290 Outstanding, end of year	29,295,057	27,486,809	26,036,359

¹ Amounts shown are based on payment of delinquent installments, advances, acquired property, judgments, loans-in-kind acquired real property, discount from face value on sale of loans without recourse, and gains/losses on assumptions.

Status of Guaranteed Loans (in thousands of dollars)

Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	755,466	617,102	601,760
Disbursements:			
2231 Disbursements of new guaranteed loans	314	.....	.....
2232 Guarantees of loans sold to the public	20,215	12,000	8,000
2251 Repayments: Repayments and prepayments	-26,975	-14,300	-8,200
Adjustments:			
2262 Terminations for default that result in acquisition of property	-16	.....	.....
2263 Terminations for default that result in claim payments	-150	-225	-200
2264 Other adjustments, net ¹	-131,752	-12,817	-290,567
2290 Outstanding, end of year	617,102	601,760	310,793

MEMORANDUM

2299 U.S. contingent liability for guaranteed loans outstanding, end of year	614,472	599,360	308,613
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¹ Amounts shown are based on purchase of loans and certificates of beneficial ownership from investors and acquired property.

Rural housing insurance fund.—This fund was established in 1965 (Public Law 89-117) pursuant to section 517 of title V of the Housing Act of 1949, as amended. This fund may be used to insure or guarantee rural housing loans for single family homes, rental and cooperative housing, farm labor housing, rural housing sites and to make rental assistance payments authorized by Section 521(a). Loan programs are limited to rural areas which include towns, villages, and other places which are not part of an urban area and which have a population not in excess of 2,500 inhabitants, or is in excess of 2,500 but not in excess of 10,000 if rural in character, or has a population in excess of 10,000 but not more than

Public enterprise funds—Continued

RURAL HOUSING INSURANCE FUND—Continued

20,000 and is not within a standard metropolitan statistical area and has a serious lack of mortgage credit for low- and moderate-income borrowers.

The 1988 budget proposes to terminate all programs under this account. A new FmHA rural housing voucher program is being proposed at 20,000 units annually to replace these programs. It is targeted to low income rural families most in need. In addition, 16,000 to 20,000 HUD housing voucher units will be available to assist such families in non-metropolitan areas. Finally, the budget includes 1,200 rural housing voucher units to take care of families displaced by prepayment of rural rental housing unit loans, which had rental assistance contracts.

The major programs currently funded through the Rural housing insurance fund are:

Section 502 very low and low to moderate income home ownership loans; section 514 domestic farm labor housing loans; section 515 rural rental housing loans; section 521 rural rental assistance; and section 524 rural housing site loans.

Starting in fiscal year 1987, the FmHA will sell loan assets without recourse to institutional and individual investors.

The following table shows 1986 actual and estimated 1987 number of units and program levels.

RURAL HOUSING PROGRAMS—OBLIGATIONS

	[Dollars in thousands]					
	1986 actual		1987 estimate		1988 estimate	
	No. of units	Amount	No. of units	Amount	No. of units	Amount
Subsidized housing loan assistance:						
Low-income housing loans to individuals	25,474	1,147,106	28,700	1,329,800		
Very low-income housing repair loans	2,018	6,992	3,180	11,335		
Rural rental housing loans	21,266	652,348	21,223	669,900		
Farm labor housing loans	653	10,675	628	11,484		
Subtotal, subsidized housing loan assistance	49,411	1,817,121	53,731	2,022,519		
Unsubsidized housing loan assistance:						
Low- or moderate-income loans for servicing and repairs		8,241		10,000		
Rural housing site loans				574		
Subtotal, unsubsidized housing loan assistance		8,241		10,574		
Total loan assistance	49,411	1,825,362	53,731	2,033,093		
Rural rental assistance payments	(14,511)	160,303	(14,511)	160,310		
Total housing programs	49,411	1,985,665	53,731	2,193,403		

Note.—All unit information is preliminary. The units for rural rental assistance are included in number of units assisted in the corresponding loan programs. The site loan program provides homesites rather than dwelling units.

The new budget authority required for "Insufficiencies" is computed as follows (in thousands of dollars):

	1986 actual	1987 est.	1988 est.
Interest accrued on participation certificates	5,013	5,013	2,825
Amortized discount on participation certificates	11	10	3
Interest accrued on an equal amount of loans in the pool	—195		
Insufficiency	4,828	5,024	2,828
Financed by:			
Investment income from participation sales trust fund	—9,588	—9,604	—5,254
Retained earnings reserved for future insufficiencies	4,760	4,580	2,426
New obligational authority			

Revenue and Expense (in thousands of dollars)

	1986 actual	1987 est.	1988 est.
Operating income or loss (—):			
Revenue	1,585,282	1,544,618	1,390,809
Expense	—6,209,728	—5,861,136	—5,603,949
Net operating loss	—4,624,446	—4,316,518	—4,213,140
Nonoperating income or loss (—):			
Proceeds from sale of loan assets		1,884,056	1,040,400
Net book value of assets sold		—2,201,000	—1,200,000
Net loss from sale of loan assets		—316,944	—159,600
Proceeds from sale of acquired property and loans without recourse:			
Cash	104,916	115,000	104,000
Loans receivable	484,087	590,000	560,000
Total proceeds from sale	589,004	705,000	664,000
Net book value of assets sold	—784,749	—900,000	—849,000
Net loss from sale of acquired property	—195,746	—195,000	—185,000
Net nonoperating loss	—195,746	—511,944	—344,600
Net loss for the year	—4,820,191	—4,828,462	—4,557,740

Financial Condition (in thousands of dollars)

	1985 actual	1986 actual	1987 est.	1988 est.
Assets:				
Selected assets:				
Fund balance with Treasury	31,027	14,579	46,833	42,433
Accounts receivable (net)	259,857	254,794	259,385	261,814
Loans receivable (net)	28,273,485	28,713,956	26,941,748	25,519,017
Real property (net)	530,988	452,523	407,823	356,023
Other assets (net):				
Judgments	1,477	4,428	5,468	5,408
Guaranteed loans purchased from holders	61	303	303	303
Deferred charges and unamortized discount on participation certificates and loans sold	291	240	200	160
Total assets	29,097,186	29,440,823	27,661,760	26,185,158
Liabilities:				
Selected liabilities:				
Accounts payable and accrued liabilities	1,534,736	1,718,508	1,644,073	1,524,951
Advances received	172,098	157,179	154,479	147,679
Debt issued under borrowing authority:				
Borrowings from Treasury	3,785,718	4,275,718	4,975,718	4,615,718
Borrowings from Federal Financing Bank	28,351,000	29,101,000	27,241,000	25,876,000
Participation certificates outstanding	80,287	80,287	80,287	
Principal repayments to be applied to redemption of participation certificates	—71,671	—71,671	—71,671	
Other liabilities:				
Provision for potential losses on loans sold or guaranteed	9,220	10,473	9,900	5,770
Total liabilities	33,861,388	35,271,494	34,033,786	32,170,118

Government equity:

Selected equities:				
Unexpended balances: Undelivered orders	3,645,497	3,185,289	3,209,168	2,062,811
Unfinanced budget authority: Borrowing authority	—5,061,446	—4,791,604	—4,701,502	—3,431,194
Invested capital	—3,348,253	—4,224,357	—4,879,692	—4,616,577
Total Government equity	—4,764,202	—5,830,671	—6,372,026	—5,984,960

Analysis of changes in Government equity:

Paid-in capital:				
Opening balance		8,931,994	10,707,622	12,518,922

Transactions:			
Unfunded administrative expense.....	161,537	161,000	120,000
Unfunded accrued annual leave.....	8		
Unfunded depreciation expense.....	317	300	200
Imputed interest.....	1,613,765	1,650,000	1,700,000
Closing balance.....	10,707,622	12,518,922	14,339,122
Retained income or loss (—):			
Opening balance.....	—13,696,197	—16,538,293	—18,890,948
Transactions:			
Net operating loss.....	—4,624,445	—4,316,518	—4,213,140
Net nonoperating loss.....	—195,746	—511,944	—344,600
Appropriation for losses.....	1,832,863	2,296,283	2,964,249
Appropriation for rental assistance payments.....	145,232	179,524	160,357
Closing balance.....	—16,538,293	—18,890,948	—20,324,082
Total Government equity (end of year).....	—5,830,671	—6,372,026	—5,984,960

Note.—This statement excludes unfunded contingent liabilities under insurance programs in principal amounts in 1985, \$752,625 thousand; 1986, \$614,472 thousand; 1987, \$599,360 thousand; 1988, \$308,613 thousand.

Object Classification (in thousands of dollars)

Identification code	12-4141-0-3-371	1986 actual	1987 est.	1988 est.
25.0	Other services.....	52,270	63,500	62,500
33.0	Investments and loans.....	2,064,070	2,152,610	392,297
41.0	Grants, subsidies, and contributions.....	161,022	160,910	400
43.0	Interest and dividends.....	3,858,298	3,803,982	3,572,180
43.0	Interest on participation certificates.....	5,013	5,013	2,825
44.0	Refunds.....	36,943	27,000	10,000
92.0	Undistributed charges.....	—29		
99.9	Total obligations.....	6,177,587	6,213,015	4,040,202

RURAL DEVELOPMENT INSURANCE FUND

*See Part II for additional information.

【For direct and guaranteed loans as authorized by 7 U.S.C. 1928 and 86 Stat. 661-664, to be available from funds in the Rural Development Insurance Fund, as follows: insured water and sewer facility loans, \$330,380,000; guaranteed industrial development loans, \$95,700,000; and insured community facility loans, \$95,700,000.】
During fiscal year 1988, no new direct loan obligations and no new guaranteed loan commitments may be made.

For an additional amount to reimburse the Rural Development Insurance Fund for interest subsidies and losses sustained in prior years, but not previously reimbursed, in carrying out the provisions of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1988(a)), 【\$656,645,000】 \$842,682,000.

【Sec. 641. (a) Section 1323(a)(1) of the Food Security Act of 1985 is amended by striking out "September 30, 1986," and inserting in lieu thereof "September 30, 1987," and

(b) Section 1323(a) is further amended by adding at the end thereof a new subsection—

"(5) Notwithstanding any provision to the contrary of subsection (4) above, the \$20,000,000 which was available pursuant to subsection (4) shall continue to be available and shall be used by the Secretary prior to September 30, 1987, to guarantee loans for the national rural development and finance program and shall remain available until expended."】 (Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)

Program and Financing (in thousands of dollars)

Identification code	12-4155-0-3-452	1986 actual	1987 est.	1988 est.
Program by activities:				
Capital investment:				
00.01	Loans obligated.....	421,080	426,080	
00.02	Loans made: Advances on behalf of borrowers.....	85	75	70
00.03	Purchase of loans from investors.....	1,875	63	92,592
00.04	Purchase of certificates of beneficial ownership.....	8,227	5,279	144,743
00.05	Interest on loans purchased from investors.....	14	4	120
00.06	Collateral acquired by default.....	93	95	95
00.07	Disbursement of loan repayments to investors.....	9,843	9,200	9,000

00.08	Purchase of guaranteed loans from investors.....	90,506	90,000	80,000
00.09	Interest on guaranteed loans purchased from investors.....	8,143	9,000	8,000
00.10	Recertified checks.....	22	—22	
00.91	Total capital investment.....	539,888	539,774	334,620
Operating expenses:				
01.01	Administrative expenses.....	1,379	2,057	1,175
01.01	Interest on FFB borrowings.....	953,142	898,077	674,503
01.02	Interest on certificates of beneficial ownership.....	20,741	20,896	14,581
01.03	Premium interest for investors.....	3,814	3,521	1,635
01.04	Interest expense on withheld collections.....	707	465	465
01.05	Interest on borrowings.....	162,238	192,731	226,140
01.06	Loss settlement expense on guaranteed loans.....	76,647	59,000	50,000
01.07	Unfilled orders.....	—2,506	—2,425	—3,346
01.08	Undistributed charges.....	2,701		
01.09	Other expense.....	42	42	
01.91	Total operating expenses.....	1,218,905	1,174,364	965,153
10.00	Total obligations.....	1,758,793	1,714,138	1,299,773

Financing:

Offsetting collections from:				
Non-Federal sources:				
14.00	Repayment on loans held by the fund.....	—215,353	—82,280	—177,496
14.00	Loan repayments received on behalf of investors.....	—9,843	—9,200	—9,000
14.00	Repayments on advances.....	—2	—25	—20
14.00	Repayment on guaranteed loans purchased from investors.....	—95,061	—30,000	—34,000
14.00	Proceeds from sale of acquired property.....	—101	—70	—70
14.00	Guarantee fees.....	—729	—861	
14.00	Interest revenue.....	—465,172	—437,497	—381,114
14.00	Guaranteed loss recoveries.....	—587		
14.00	Other revenue.....	21	—3	—3
14.00	Insurance premium.....	—2	—2	—2
14.00	Sale of loans without recourse.....		—1,151,114	—756,000
31.00	Redemption of debt.....	30,000	1,645,000	720,000
32.47	Balance of authority to borrow withdrawn.....			180,614
39.00	Budget authority.....	1,001,964	1,648,086	842,682

Budget authority:

Current:				
40.00	Appropriation.....	556,627	656,645	842,682
Permanent:				
67.10	Authority to borrow (7 U.S.C. 1929 a(d)) (indefinite).....	180,337	991,441	
67.10	Authority to borrow (12 U.S.C. 2281-96) (indefinite).....	265,000		

Relation of obligations to outlays:

71.00	Obligations incurred, net.....	971,964	3,086	—57,932
Obligated balance, start of year:				
72.47	Authority to borrow.....	1,803,251	1,749,305	1,745,891
72.98	Fund balance.....	56,209	27,025	12,198
Obligated balance, end of year:				
74.47	Authority to borrow.....	—1,749,305	—1,745,891	—1,215,277
74.98	Fund balance.....	—27,025	—12,198	—65,993
77.00	Adjustments in expired accounts.....	—99,283		
90.00	Outlays.....	955,811	21,327	418,887

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

Enacted/requested:		1986 actual	1987 est.	1988 est.
Budget authority.....		1,001,964	1,648,086	842,682
Outlays.....		955,811	21,327	418,887
Supplemental under existing legislation:				
Budget authority.....			—308,000	51,200
Outlays.....			—11,000	—51,200
Total:				
Budget authority.....		1,001,964	1,340,086	893,882
Outlays.....		955,811	10,327	367,687

Public enterprise funds—Continued

RURAL DEVELOPMENT INSURANCE FUND—Continued

Status of Direct Loans (in thousands of dollars)

Identification code	12-4155-0-3-452	1986 actual	1987 est.	1988 est.
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans to the public.....	421,080	426,080	.....
1150	Total direct loan obligations.....	421,080	426,080	.....
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year.....	7,707,588	7,957,031	6,448,863
Disbursements:				
1231	Direct loan disbursements.....	453,126	394,221	422,327
1233	Purchase of loan assets from the public.....	9,855	5,346	238,655
Repayments:				
1251	Repayments and prepayments.....	-215,355	-82,305	-177,516
1253	Loan asset sales to the public.....	.....	-1,151,114	-756,000
Adjustments:				
1261	Capitalized interest.....	2,053	1,970	1,970
1262	Write-offs for default.....	-10	-10	-10
1264	Other adjustments, net ¹	-226	-676,276	-444,225
1290	Outstanding, end of year.....	7,957,031	6,448,863	5,734,064

¹ Amounts shown are based on advances on behalf of borrowers, acquired property, and discount from face value on sale of loans without recourse.

Status of Guaranteed Loans (in thousands of dollars)

Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders.....	95,700	114,840	.....
2112	Unused balance of limitation expiring.....	-40,897	.....	.....
2150	Total guaranteed loan commitments.....	54,803	114,840	.....
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year.....	2,911,729	2,626,382	2,336,810
Disbursements:				
2231	Disbursements of new guaranteed loans.....	126,549	70,293	81,210
2251	Repayments: Repayments and prepayments.....	-320,208	-294,519	-257,967
Adjustments:				
2262	Terminations for default that result in acquisition of property.....	-5	.....	.....
2263	Terminations for default that result in claim payments.....	-81,828	-60,000	-50,000
2264	Other adjustments, net ¹	-9,855	-5,346	-238,655
2290	Outstanding, end of year.....	2,626,382	2,336,810	1,871,398

MEMORANDUM

2299	U.S. contingent liability for guaranteed loans outstanding, end of year.....	2,210,569	1,974,385	1,552,967
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¹ Includes \$19,140,000 in unused limitation on guaranteed loans for 1987 transferred from FY 1986 pursuant to section 641(b) of P.L. 99-500 and 99-591.

The Rural Development Insurance Fund (RDIF) was established on October 1, 1972, pursuant to section 116 of the Rural Development Act of 1972 (Public Law 92-419), approved August 30, 1972, which also provided for transfer of the assets and liabilities of the Agricultural Credit Insurance Fund applicable to loans for water systems and waste disposal facilities to this fund. The 1985 farm bill, signed December 23, 1985, extends authorization of the RDIF through fiscal year 1988.

The fund is used to insure or guarantee loans for water systems and waste disposal facilities, community facilities, and industrial development in rural areas.

No program is proposed for FY 1988 because adequate credit sources are available to finance such facilities.

The Food Security Act of 1985, Public Law 99-198, provided for rural development finance corporation loans to be made in conjunction with rural development finance grants authorized under the Rural development loan fund. The objective of this program is to guarantee loans made by public agencies to nonprofit national rural development and finance corporations that establish statewide rural development and finance programs for the purpose of providing loans, guarantees, and other financial assistance to local businesses to improve business, industry and employment opportunities in rural areas.

Starting in fiscal year 1987, the Agency will sell the loan portfolio without recourse to institutional and individual investors.

The following table shows the number of loans and the program levels for 1986 actual and estimated for 1987 and 1988. The guaranteed program levels reflect the full principal amount of the loans of which part is guaranteed by the U.S. Government.

LOAN OBLIGATIONS

(In millions of dollars)					
		1986 actual		1987 estimate	
		Number	Amount	Number	Amount
Rural development loans:					
Water and waste disposal systems	698	325,380	688	330,380	.....
Community facilities	192	95,700	186	95,700	.....
Industrial development	37	54,803	62	95,700	.....
Rural development finance corporation	.....	.....	19	19,140	.....
Total, Rural development insurance fund	927	475,883	955	540,920	.....

Revenue and Expense (in thousands of dollars)

	1986 actual	1987 est.	1988 est.
Operating income or loss (—):			
Revenue	456,225	498,157	412,281
Expense	-1,573,539	-1,560,484	-1,331,205
Net operating loss	-1,117,314	-1,062,327	-918,924
Nonoperating income or loss (—):			
Proceeds from sale of loan assets	.....	1,151,114	756,000
Net book value of assets sold	.....	-1,827,165	-1,200,000
Net loss from sale of loan assets	.....	-676,051	-444,000
Proceeds from sale of acquired property:			
Cash	101	70	70
Loans receivable	.....	.....	.....
Total proceeds from sale	101	70	70
Net book value of assets sold	-274	-200	-200
Net loss from sale of acquired property	-173	-130	-130
Net nonoperating loss	-173	-676,181	-444,130
Net loss for the year	-1,117,487	-1,738,508	-1,363,054

Financial Condition (in thousands of dollars)

	1985 actual	1986 actual	1987 est.	1988 est.
Assets:				
Selected assets:				
Fund balance with Treasury	56,209	27,025	12,198	65,993
Accounts receivable (net)	289,054	280,843	337,353	363,874
Loans receivable (net)	7,668,680	7,910,290	6,271,786	5,579,582
Real property	116	213	383	553
Other assets:				
Deferred charges and unamortized discount on loans sold	22	2,714	2,706	2,700

Guaranteed loans purchased from holders.....	260,957	258,678	288,678	311,678
Total assets	8,275,038	8,479,763	6,913,104	6,324,380
Liabilities:				
Selected liabilities:				
Accounts payable and accrued liabilities.....	448,223	505,101	457,351	406,135
Advances received.....	63,093	54,327	51,902	48,556
Debt issued under borrowing authority:				
Borrowings from Treasury.....	1,726,000	1,861,000	2,716,000	3,066,000
Borrowing from Federal Financing Bank.....	7,643,000	7,878,000	6,233,000	5,513,000
Other liabilities: Provision for potential losses on loans sold or guaranteed..	145,191	135,158	123,919	113,511
Total liabilities	10,025,507	10,433,586	9,582,172	9,147,202
Government equity:				
Selected equities:				
Undelivered orders.....	1,348,145	1,216,901	1,248,836	826,578
Unfinanced budget authority: Borrowing authority.....	—1,514,197	—1,468,462	—1,408,538	—851,402
Invested capital.....	—1,584,417	—1,702,262	—2,509,366	—2,797,998
Total Government equity	—1,750,469	—1,953,823	—2,669,068	—2,822,822

Analysis of changes in Government equity:

Paid-in capital:				
Opening balance.....	1,526,770	1,884,276	2,250,894	
Transactions:				
Unfunded administrative expense.....	22,573	32,573	32,573	
Unfunded accrued annual leave.....	1	1	1	
Unfunded depreciation expense.....	44	44	44	
Imputed interest.....	334,888	334,000	334,000	
Closing balance	1,884,276	2,250,894	2,617,512	
Retained income or loss (—):				
Opening balance.....	—3,277,239	—3,838,099	—4,919,962	
Transactions:				
Net operating loss.....	—1,117,314	—1,062,327	—918,924	
Net non-operating loss.....	—173	—676,181	—444,130	
Appropriation to finance deficit.....	556,627	656,645	842,682	
Closing balance	—3,838,099	—4,919,962	—5,440,334	
Total Government equity (end of year)	—1,953,823	—2,669,068	—2,822,822	

Note.—This statement excludes unfunded contingent liabilities under insurance programs in principal amounts. 1985, \$2,449,902 thousand; 1986, \$2,210,569 thousand; 1987, \$1,974,385 thousand and 1988, \$1,552,967 thousand.

Object Classification (in thousands of dollars)

Identification code	12-4155-0-3-452	1986 actual	1987 est.	1988 est.
25.0	Other services.....	75,562	58,674	47,829
33.0	Investments and loans.....	521,888	521,570	317,500
43.0	Interest and dividends.....	1,148,799	1,124,694	925,444
44.0	Refunds.....	9,843	9,200	9,000
92.0	Undistributed charges.....	2,701		
99.9	Total obligations	1,758,793	1,714,138	1,299,773

RURAL DEVELOPMENT LOAN FUND**Program and Financing (in thousands of dollars)**

Identification code	12-4233-0-3-452	1986 actual	1987 est.	1988 est.
Program by activities:				
Capital investment:				
00.01 Loans obligated.....			4,000	
00.02 Grants obligated.....			14,264	
00.03 Loans made: Advances on behalf of borrowers.....		3		
00.04 Acquired property.....		2		
10.00 Total obligations		5	18,264	
Financing:				
14.00 Offsetting collections from: Non-Federal sources.....		—3,295	—3,330	—3,476
21.98 Unobligated balance available, start of year: Fund balance.....		—13,763	—17,053	—2,119

24.98	Unobligated balance available, end of year: Fund balance.....	17,053	2,119	5,595
39.00	Budget authority			
	Relation of obligations to outlays:			
71.00	Obligations incurred, net.....	—3,290	14,934	—3,476
72.98	Obligated balance, start of year: Fund balance.....	—424	350	
74.98	Obligated balance, end of year: Fund balance.....	—350		
90.00	Outlays	—4,064	15,284	—3,476

Status of Direct Loans (in thousands of dollars)

	Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year.....	36,658	32,594	33,615
1231	Disbursements: Direct loan disbursements.....	—501	4,350	
1251	Repayments: Repayments and prepayments.....	—3,295	—2,929	—3,076
1262	Adjustments: Write-offs for default.....	—268	—400	—400
1290	Outstanding, end of year.....	32,594	33,615	30,139

This fund was transferred to FmHA from the Department of Health and Human Services pursuant to Public Law 99-198, the Food Security Act of 1985. This Act mandated that the unobligated balance in the Fund, as of the date of enactment (December 23, 1985), be made available for grants to rural development finance corporations. These grants are to be made in conjunction with rural development finance corporation loans authorized under FmHA's Rural development insurance fund. No rural development finance corporation loans or grants were made in 1986. It is estimated that \$14.3 million in grants will be made in 1987. In addition, Public Law 99-425, the Human Services Reauthorization Act of 1986, reauthorized the making of loans in fiscal year 1987, out of repayments or other funds made available to the Rural development loan fund by FmHA. It is estimated that \$4 million in loans will be made in 1987.

Revenue and Expense (in thousands of dollars)

	1986 actual	1987 est.	1988 est.
Operating income or loss (—):			
Revenue.....	1,309	1,253	1,309
Expense.....	—6,337	—22,164	—7,653
Net operating loss	—5,028	—20,911	—6,344
Nonoperating income or loss (—):			
Proceeds from sale of acquired property: Cash.....	30	3	
Total proceeds from sale	30	3	
Net book value of assets sold.....	—36	—3	
Net nonoperating loss	—6		
Net loss for the year	—5,034	—20,911	—6,344

Financial Condition (in thousands of dollars)

	1986 actual	1987 est.	1988 est.
Assets:			
Selected assets:			
Fund balance with Treasury.....	17,403	2,119	5,595
Accounts receivable (net).....	877	953	1,042
Loans receivable (net).....	32,776	34,243	31,502
Real property.....	4		
Other assets (net).....	24	24	24
Total assets	51,084	37,339	38,163
Liabilities:			
Total liabilities			

Public enterprise funds—Continued

RURAL DEVELOPMENT LOAN FUND—Continued

Financial Condition (in thousands of dollars)—Continued

	1986 actual	1987 est.	1988 est.
Government equity:			
Selected equities:			
Unexpended balances:			
Unobligated balance	17,930	2,119	5,595
Undelivered orders	350		
Invested capital	32,804	35,220	32,568
Total Government equity	51,084	37,339	38,163
Analysis of changes in Government equity:			
Paid-in capital:			
Opening balance		56,118	63,285
Transactions:			
Transfers	50,775		
Unfunded administrative expense	506	666	667
Unfunded accrued annual leave	-2		
Unfunded depreciation expense	1	1	1
Imputed interest	4,838	6,500	6,500
Closing balance	56,118	63,285	70,453
Retained income or loss (—):			
Opening balance		-5,034	-25,946
Transactions:			
Net operating loss	-5,028	-20,911	-6,344
Net nonoperating loss	-6	-1	
Closing balance	-5,034	-25,946	-32,290
Total Government equity (end of year)	51,084	37,339	38,163

Object Classification (in thousands of dollars)

Identification code	1986 actual	1987 est.	1988 est.
12-4233-0-3-452			
33.0 Investments and loans	5	4,000	
41.0 Grants		14,264	
99.9 Total obligations	5	18,264	

ALLOTMENT AND ALLOCATIONS RECEIVED FROM OTHER AGENCIES

Note.—Obligations incurred under allotments from other accounts are included in the schedules of the parent appropriations as follows:

Agriculture: Soil Conservation Service:
 "Watershed and flood prevention operations."
 "Resource conservation and development."
 Appalachian Regional Commission: "Appalachian regional development programs."
 Commerce:
 General Administration: "Economic development assistance program."
 Regional Development Program: "Regional development programs."

SOIL CONSERVATION SERVICE

Federal Funds

General and special funds:

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-590f) including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures for soil and water management as may be necessary to prevent floods and the siltation of reservoirs and to control agricultural related pollutants); operation of conservation plant materials centers; classification and mapping of soil; dissemination of information; acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed \$100; purchase and erection or alteration or improvement of permanent and temporary buildings; and operation and maintenance of aircraft, **[\$367,043,000]** **\$399,596,000**, of which not less than **[\$4,870,000]** **\$5,379,000** is for snow survey and water forecasting and not less than **[\$4,408,000]** **\$4,971,000** is for operation and establishment of the plant materials centers: *Provided*, [That of the foregoing amounts not less than \$293,400,000 is for personnel compen-

sation and benefits: *Provided further*,] That the cost of any permanent building, purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed \$10,000, except for one building to be constructed at a cost not to exceed \$100,000 and eight buildings to be constructed or improved at a cost not to exceed \$50,000 per building and except that alterations or improvements to other existing permanent buildings costing \$5,000 or more may be made in any fiscal year in an amount not to exceed \$2,000 per building: *Provided further*, That when buildings or other structures are erected on non-Federal land that the right to use such land is obtained as provided in 7 U.S.C. 2250a: *Provided further*, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a-590f) in demonstration projects: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225) and not to exceed \$25,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the Service: *Provided further*, That none of the funds in this Act shall be used for the purpose of consolidating equipment, personnel, or services of the Soil Conservation Service's national technical centers in Portland, Oregon; Lincoln, Nebraska; Chester, Pennsylvania; and Fort Worth, Texas, into a single national technical center]. (7 U.S.C. 1010a, 1387, 1807, 2201-02, 2250; 16 U.S.C. 590q, 590q-1, 2001-09; 42 U.S.C. 3271-74; 26 Stat. 653; Reorg. Plan No. IV of 1940; Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)

Program and Financing (in thousands of dollars)

Identification code	1986 actual	1987 est.	1988 est.
12-1000-0-1-302			
Program by activities:			
Direct program:			
00.01 Technical assistance	270,520	297,761	314,239
00.02 Inventorying and monitoring	11,584	11,688	5,124
00.03 Soil surveys	54,309	58,156	67,717
00.04 Snow survey water forecasting	3,777	4,976	5,379
00.05 Operation of plant materials centers	3,877	4,553	4,971
00.06 Resource appraisal and program development	4,057	2,538	2,166
00.07 Rural clean water	221		
00.91 Total direct program	348,345	379,672	399,596
01.01 Reimbursable program	35,038	39,000	28,487
10.00 Total obligations	383,383	418,672	428,083
Financing:			
Offsetting collections from:			
11.00 Federal funds	-26,510	-27,827	-17,339
14.00 Non-Federal sources	-8,528	-11,173	-11,148
21.40 Unobligated balance available, start of year	-334	-1	
24.40 Unobligated balance available, end of year	1		
25.00 Unobligated balance lapsing	657		
39.00 Budget authority	348,669	379,671	399,596
Budget authority:			
40.00 Appropriation	355,599	367,043	399,596
41.00 Transferred to other accounts	-7,952		
42.00 Transferred from other accounts	1,022		
43.00 Appropriation (adjusted)	348,669	367,043	399,596
Transfers in for:			
46.20 Civilian pay raises		7,297	
46.40 Retirement contributions (P.L. 99-335)		5,331	
Relation of obligations to outlays:			
71.00 Obligations incurred, net	348,345	379,672	399,596
72.40 Obligated balance, start of year	32,784	34,113	37,196
74.40 Obligated balance, end of year	-34,113	-37,196	-39,560
77.00 Adjustments in expired accounts	-740		
89.00 Outlays	346,276	376,589	397,232
Outlays:			
90.00 Outlays, excluding pay and retirement supplementals	346,276	364,970	396,223
91.20 Outlays from civilian pay raise supplemental		6,714	583
91.40 Outlays from retirement contribution supplemental		4,905	426

Technical assistance.—Technical assistance is provided through 2,935 conservation districts to land users and decisionmakers, including individual landowners and operators, community groups, units of government, Indian tribes, and others for the planning of conservation programs and installation of needed conservation systems on the land, including design, layout, installation, and consultation services.

Combinations of needed soil and water conservation systems are planned in relation to each other to achieve well-balanced conservation programs. Technicians of the Soil Conservation Service explain the various soil conditions, develop alternative uses and treatments, help to evaluate the costs and returns of conservation work, and furnish onsite assistance to farmers, ranchers, and others in applying the needed treatments. About 70 percent of the total annual investment in conservation practices applied through the conservation technical assistance program is made by private landusers. Since 1981, accelerated technical assistance has been provided to targeted geographic areas with severe erosion, water conservation and water quality problems. During fiscal year 1988, SCS will continue to emphasize work on critical resource problems caused by excessive soil erosion and inefficient use of limited water supplies. Personnel funded within this account will be providing technical assistance to implement the Conservation Reserve Program and the highly erodible land and wetland conservation provisions of the Food Security Act of 1985.

MAIN WORKLOAD FACTORS

	1986 actual	1987 est.	1988 est.
Decisionmakers receiving technical services.....	972,411	1,000,000	1,000,000
Acres treated with conservation technical assistance.....	59,192,134	60,000,000	60,000,000
Tons of soil erosion reduced.....	207,000,000	242,000,000	242,000,000

Inventorying and monitoring.—Inventorying and monitoring provides soil, water, and related resource data. All activities under this program will be terminated by the end of fiscal year 1988.

Soil surveys.—Soil surveys and investigations are made of the Nation's soil resources, with interpretations and publications that provide physical land facts needed for program development, resource conservation planning, installation of planned practices, and for use by other Federal, State, and local agencies in making land-use decisions. This program is being continued in the fiscal year 1988 budget.

MAIN WORKLOAD FACTORS

	1986 actual	1987 est.	1988 est.
Acres mapped annually.....	41,974,745	45,487,000	48,987,000
Soil surveys ready for publication (number).....	78	80	80

Snow survey water forecasting.—Water supply forecasts prepared from snow surveys in western states are used in making efficient seasonal use of water for irrigation, flood control, fish and wildlife, recreation, power generation, municipal and industrial water supply, and water quality management. This program is being continued in the fiscal year 1988 budget.

Operation of plant materials centers.—The selection and evaluation of plant materials are made at 20 plant materials centers through field trials to determine their suitability for erosion control, conservation, and other

environmental improvements. This program is being continued in the fiscal year 1988 budget.

Resource appraisal and program development.—The Soil and Water Resources Conservation Act of 1977 as amended provides for periodic reports to the public and Congress beginning January 1980. A report was developed and submitted in December 1982. All activities under this program will be terminated by the end of fiscal year 1988.

Object Classification (in thousands of dollars)

Identification code	12-1000-0-1-302	1986 actual	1987 est.	1988 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent.....	234,706	252,021	252,527
11.3	Other than full-time permanent.....	5,559	5,973	5,959
11.5	Other personnel compensation.....	2,219	2,376	2,514
11.9	Total personnel compensation.....	242,484	260,370	261,000
12.1	Personnel benefits: Civilian.....	36,951	45,093	59,094
13.0	Benefits for former personnel.....	433	454	3,148
21.0	Travel and transportation of persons.....	7,161	7,713	9,498
22.0	Transportation of things.....	2,767	2,995	3,130
23.2	Rental payments to others.....	11,159	12,118	12,534
23.3	Communications, utilities, and miscellaneous charges.....	12,954	14,038	14,494
24.0	Printing and reproduction.....	2,625	2,795	2,879
25.0	Other services.....	14,715	14,807	15,051
26.0	Supplies and materials.....	7,752	8,360	8,375
31.0	Equipment.....	9,166	10,663	10,123
32.0	Lands and structures.....	86	167	167
42.0	Insurance claims and indemnities.....	88	95	99
43.0	Interest and dividends.....	4	4	4
99.0	Subtotal, direct obligations.....	348,345	379,672	399,596
99.0	Reimbursable obligations.....	35,038	39,000	28,487
99.9	Total obligations.....	383,383	418,672	428,083

Personnel Summary

Direct:			
Total number of full-time permanent positions.....	8,215	9,037	8,905
Total compensable workyears:			
Full-time equivalent employment.....	8,981	9,456	9,374
Full-time equivalent of overtime and holiday hours.....	16	16	23
Reimbursable:			
Total number of full-time permanent positions.....	716	780	482
Total compensable workyears: Full-time equivalent employment.....	784	867	536

RIVER BASIN SURVEYS AND INVESTIGATIONS

For necessary expenses to [conduct research, investigations, and surveys of the watersheds of rivers and other waterways, in accordance with section 6 of the Watershed Protection and Flood Prevention Act approved August 4, 1954, as amended (16 U.S.C. 1006-1009), \$11,819,000: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$60,000 shall be available for employment under 5 U.S.C. 3109] *close out activities previously funded under this account, \$8,308,000. (7 U.S.C. 2201-02; 16 U.S.C. 1101-05; 1007-09; 33 U.S.C. 701b-11; Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)*

Program and Financing (in thousands of dollars)

Identification code	12-1069-0-1-301	1986 actual	1987 est.	1988 est.
Program by activities:				
Direct program:				
00.01	River basin surveys.....	10,180	8,578	5,871
00.02	Flood plain management assistance.....	2,068	1,861	1,274
00.03	Interagency coordination and program formulation.....	1,817	1,721	1,163
00.91	Total direct program.....	14,065	12,160	8,308
01.01	Reimbursable program.....	727	1,000	.....
10.00	Total obligations.....	14,792	13,160	8,308

General and special funds—Continued

RIVER BASIN SURVEYS AND INVESTIGATIONS—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code	12-1069-0-1-301	1986 actual	1987 est.	1988 est.
Financing:				
Offsetting collections from:				
11.00	Federal funds.....	—583	—802	
14.00	Non-Federal sources.....	—144	—198	
21.40	Unobligated balance available, start of year.....	—21	—21	
24.40	Unobligated balance available, end of year.....	21		
25.00	Unobligated balance lapsing.....	115		
39.00	Budget authority.....	14,180	12,139	8,308
Budget authority:				
40.00	Appropriation.....	14,180	11,819	8,308
Transfers in for:				
46.20	Civilian pay raises.....		190	
46.40	Retirement contributions (P.L. 99-335).....		130	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	14,065	12,160	8,308
72.40	Obligated balance, start of year.....	1,271	680	730
74.40	Obligated balance, end of year.....	—680	—730	—582
77.00	Adjustments in expired accounts.....	—65		
89.00	Outlays.....	14,591	12,110	8,456
Outlays:				
90.00	Outlays, excluding pay and retirement supplementals.....	14,591	11,803	8,443
91.20	Outlays from civilian pay raise supplemental.....		182	8
91.40	Outlays from retirement contribution supplemental.....		125	5

The Department cooperates with other Federal, State, and local agencies in making surveys and investigations of watersheds of rivers and other waterways as the basis for the development of coordinated water and related land resources programs. The fiscal year 1988 budget proposes to terminate all activities under this program by the end of fiscal year 1988.

MAIN WORKLOAD FACTORS

Status of river basin surveys	1986 actual	1987 est.	1988 est.
USDA cooperative studies:			
Surveys in progress, start of year.....	58	57	60
Surveys initiated during year.....	11	16	
Surveys worked during year.....	69	73	60
Surveys completed during year.....	12	13	
Surveys in progress, end of year.....	57	60	
Cumulative total surveys initiated.....	248	264	264
Cumulative total surveys completed.....	191	204	204
Flood plain management assistance program:			
States involved.....	38	38	38
Completed studies.....	29	25	
Ongoing studies, end of year.....	73	73	
Cumulative total completed.....	398	423	423

Object Classification (in thousands of dollars)

Identification code	12-1069-0-1-301	1986 actual	1987 est.	1988 est.
SOIL CONSERVATION SERVICE				
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent.....	8,787	7,688	3,234
11.3	Other than full-time permanent.....	177	155	62
11.5	Other personnel compensation.....	86	75	23
11.9	Total personnel compensation.....	9,050	7,918	3,319
12.1	Personnel benefits: Civilian.....	1,301	1,258	502
13.0	Benefits for former personnel.....	29	25	3,296
21.0	Travel and transportation of persons.....	343	302	164
22.0	Transportation of things.....	89	78	42
23.2	Rental payments to others.....	144	127	69
23.3	Communications, utilities, and miscellaneous charges...	363	320	172
24.0	Printing and reproduction.....	83	73	39
25.0	Other services.....	744	665	362

26.0	Supplies and materials.....	190	167	91
31.0	Equipment.....	525	462	250
32.0	Lands and structures.....	2	2	2
42.0	Insurance claims and indemnities.....	1	1	
99.0	Subtotal, direct obligations.....	12,864	11,398	8,308
99.0	Reimbursable obligations.....	727	1,000	

ALLOCATION ACCOUNTS

Personnel compensation:				
11.1	Full-time permanent.....	761	471	
11.3	Other than full-time permanent.....	1	1	
11.9	Total personnel compensation.....	762	472	
12.1	Personnel benefits: Civilian.....	120	84	
21.0	Travel and transportation of persons.....	97	62	
22.0	Transportation of things.....	13	5	
23.1	Rental payments to GSA.....	36	25	
23.2	Rental payments to others.....	3		
23.3	Communications, utilities, and miscellaneous charges.....	15	8	
24.0	Printing and reproduction.....	11	7	
25.0	Other services.....	109	75	
26.0	Supplies and materials.....	15	10	
31.0	Equipment.....	20	14	
99.0	Subtotal, allocation accounts.....	1,201	762	
99.9	Total obligations.....	14,792	13,160	8,308

Obligations are distributed as follows:

Soil Conservation Service.....	13,591	12,398	8,308
Forest Service.....	1,034	762	
Economic Research Service.....	167		

Personnel Summary

SOIL CONSERVATION SERVICE

Direct:				
Total number of full-time permanent positions.....	265	239		
Total compensable workyears:				
Full-time equivalent employment.....	291	249	77	
Full-time equivalent of overtime and holiday hours.....				
Reimbursable:				
Total number of full-time permanent positions.....	16	17		
Total compensable workyears: Full-time equivalent employment.....	18	20		

ALLOCATION ACCOUNTS

Total number of full-time permanent positions.....	27	18		
Total compensable workyears: Full-time equivalent employment.....	27	18		

WATERSHED PLANNING

For necessary expenses [for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1001-1008), \$8,480,000: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$50,000 shall be available for employment under 5 U.S.C. 3109] to close out activities previously funded under this account, \$5,520,000. (7 U.S.C. 2201-02; 33 U.S.C. 701b-11; Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)

Program and Financing (in thousands of dollars)

Identification code	12-1066-0-1-301	1986 actual	1987 est.	1988 est.
Program by activities:				
00.01	Direct program: Small watershed planning authorized by Public Law 566.....	8,423	8,713	5,520
01.01	Reimbursable program: Small watershed planning authorized by Public Law 566.....	237	600	
10.00	Total obligations.....	8,660	9,313	5,520
Financing:				
14.00	Offsetting collections from: Non-Federal sources.....	—237	—600	

25.00	Unobligated balance lapsing	64		
39.00	Budget authority	8,487	8,713	5,520
	Budget authority:			
40.00	Appropriation	8,487	8,480	5,520
	Transfers in for:			
46.20	Civilian pay raises		136	
46.40	Retirement contributions (P.L. 99-335)		97	
	Relation of obligations to outlays:			
71.00	Obligations incurred, net	8,423	8,713	5,520
72.40	Obligated balance, start of year	1,491	1,163	1,220
74.40	Obligated balance, end of year	-1,163	-1,220	-331
77.00	Adjustments in expired accounts	-78		
89.00	Outlays	8,673	8,656	6,409
	Outlays:			
90.00	Outlays, excluding pay and retirement supplementals	8,673	8,456	6,376
91.20	Outlays from civilian pay raise supplemental		117	19
91.40	Outlays from retirement contribution supplemental		83	14

The Department cooperates with other agencies and the States in planning small watersheds to reduce damage from floodwater, sediment, and erosion and for the conservation, development, utilization, and disposal of water.

MAIN WORKLOAD FACTORS

Activity	1986 actual	1987 est.	1988 est.
Applications for planning assistance:			
On hand, cumulative, start of year	2,331	2,340	2,362
Net change during year	9	22	
On hand, cumulative, end of year	2,340	2,362	
Consisting of:			
Authorized for planning	2,017	2,047	2,047
Available for planning	323	315	315
Status of planning:			
Authorized, cumulative, start of year	1,970	2,017	2,047
Suspended or terminated, cumulative, start of year	477	480	482
Completed, cumulative, start of year	1,350	1,382	1,427
Planning in process, start of year	143	155	138
New authorizations during year	47	30	
Terminated during year	3	2	138
Completions during year	32	45	
Planning in process, end of year	155	138	

The Department makes surveys of proposed small watershed projects, and work plans are prepared in cooperation with local sponsors. These plans outline the soil and water management problems in the watershed, the steps that have been or are authorized to be taken to alleviate these problems, the proposed works of improvement to be installed, the estimated benefits and costs, cost sharing, and operation and maintenance arrangements, and other facts necessary to justify Federal participation in project development. All activities of this program will be terminated by the end of fiscal year 1988.

Object Classification (in thousands of dollars)

Identification code	12-1066-0-1-301	1986 actual	1987 est.	1988 est.
	SOIL CONSERVATION SERVICE			
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	5,706	5,866	1,914
11.3	Other than full-time permanent	148	152	47
11.5	Other personnel compensation	43	44	9
11.9	Total personnel compensation	5,897	6,062	1,970
12.1	Personnel benefits: Civilian	793	910	252

13.0	Benefits for former employees	7	7	2,589
21.0	Travel and transportation of persons	290	301	128
22.0	Transportation of things	21	22	10
23.2	Rental payments to others	71	74	31
23.3	Communications, utilities, and miscellaneous charges	288	299	128
24.0	Printing and reproduction	35	36	16
25.0	Other services	425	407	227
26.0	Supplies and materials	135	140	60
31.0	Equipment	244	253	109
99.0	Subtotal, direct obligations	8,206	8,511	5,520
99.0	Reimbursable obligations	237	600	
	ALLOCATION TO FOREST SERVICE			
11.1	Personnel compensation: Full-time permanent	123	113	
12.1	Personnel benefits: Civilian	18	17	
21.0	Travel and transportation of persons	15	13	
22.0	Transportation of things	1	1	
23.1	Rental payments to GSA	10	10	
23.3	Communications, utilities, and miscellaneous charges	3	2	
25.0	Other services	40	40	
26.0	Supplies and materials	3	3	
31.0	Equipment	4	3	
99.0	Subtotal obligations, Forest Service	217	202	
99.9	Total obligations	8,660	9,313	5,520

Personnel Summary

	SOIL CONSERVATION SERVICE			
Direct:				
Total number of full-time permanent positions	172	179		
Total compensable workyears: Full-time equivalent employment	187	187		40
Reimbursable:				
Total number of full-time permanent positions	4	15		
Total compensable workyears: Full-time equivalent employment	5	15		
	ALLOCATION TO FOREST SERVICE			
Total number of full-time permanent positions	4	4		
Total compensable workyears: Full-time equivalent employment	4	4		

WATERSHED AND FLOOD PREVENTION OPERATIONS*

*See Part II for additional information.

For necessary expenses to [carry out preventive measures, including but not limited to research, engineering operations, methods of cultivation, the growing of vegetation, rehabilitation of existing works and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act approved August 4, 1954, as amended (16 U.S.C. 1001-1005, 1007-1009), the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), and in accordance with the provisions of laws relating to the activities of the Department, \$165,885,000 (of which \$26,271,000 shall be available for the watersheds authorized under the Flood Control Act approved June 22, 1936 (33 U.S.C. 701, 16 U.S.C. 1006a), as amended and supplemented): *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$4,755,000 shall be available for emergency measures as provided by sections 403-405 of the Agricultural Credit Act of 1978 (16 U.S.C. 2203-2205), and not to exceed \$200,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That \$7,949,000 in loans may be insured, or made to be sold and insured, under the Agricultural Credit Insurance Fund of the Farmers Home Administration (7 U.S.C. 1931): *Provided further*, That not to exceed \$1,000,000 of this appropriation is available to carry out the purposes of the Endangered Species Act of 1973 (Public Law 93-205), as amended, including cooperative efforts as contemplated by that Act to relocate endangered or threatened species to other suitable habitats as may be necessary to expedite project construction.] *close out activities previously funded under this account, \$50,024,000.*

[For an additional amount, for emergency measures under title IV of the Agricultural Credit Act of 1978 (16 U.S.C. 2201-2205), \$10,000,000 to remain available until expended.] (7 U.S.C. 2201-02; 33 U.S.C. 701b-1, 701b-11; Agriculture, Rural Development, and Related

General and special funds—Continued

WATERSHED AND FLOOD PREVENTION OPERATIONS—Continued

Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a.)

Program and Financing (in thousands of dollars)

Identification code	12-1072-0-1-301	1986 actual	1987 est.	1988 est.
Program by activities:				
Direct program:				
00.01	Watershed operations authorized by Public Law 534....	39,016	26,747	7,375
00.02	Loan services (Public Law 534)	167	80	.....
00.03	Emergency watershed protection operations	49,929	49,380	985
00.04	Small watershed operations authorized by Public Law 566	137,067	146,754	41,664
00.05	Loan services (Public Law 566)	333	175	.....
00.91	Total direct program	226,512	223,136	50,024
01.01	Reimbursable program	5,869	19,000	.....
10.00	Total obligations	232,381	242,136	50,024
Financing:				
Offsetting collections from:				
11.00	Federal funds	- 434	- 1,405	.....
14.00	Non-Federal sources	- 5,435	- 17,595	.....
21.40	Unobligated balance available, start of year	- 16,291	- 47,251	.....
24.40	Unobligated balance available, end of year	47,251	.....	.....
39.00	Budget authority	257,472	175,885	50,024
Budget authority:				
40.00	Appropriation	249,520	175,885	50,024
42.00	Transferred from other accounts	7,952	.....	.....
43.00	Appropriation (adjusted)	257,472	175,885	50,024
Relation of obligations to outlays:				
71.00	Obligations incurred, net	226,512	223,136	50,024
72.40	Obligated balance, start of year	174,996	144,941	116,295
74.40	Obligated balance, end of year	- 144,941	- 116,295	- 28,509
90.00	Outlays	256,567	251,782	137,810

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousand of dollars)

Enacted/requested:	1986 actual	1987 est.	1988 est.
Budget authority	257,472	175,885	50,024
Outlays	256,567	251,782	137,810
Rescission proposal:			
Budget authority .....	.....	- 87,755	.....
Outlays .....	.....	- 66,000	- 30,000
Total:			
Budget authority	257,472	88,130	50,024
Outlays	256,567	185,782	107,810

This program provides for cooperation between the Federal Government and States and their political subdivisions to reduce damage from floodwater, sediment, and erosion, for the conservation, development, utilization, and disposal of water, and for the conservation and proper utilization of land. The fiscal year 1988 budget proposes to terminate all activities under these programs by the end of fiscal year 1988.

Watershed operations authorized by Public Law 534.—The Department cooperates with soil conservation districts and other local organizations in planning and installing works of improvement for flood prevention in 11 watersheds authorized by the Flood Control Act of 1944. The Federal Government shares the cost of works of improvement for flood prevention, agricultural water management, recreation, and fish and wildlife development.

Within the 11 authorized projects, 406 subwatershed areas have been identified for planning purposes. Installation progress in these subwatersheds is as follows:

MAIN WORKLOAD FACTORS

Subwatershed status	1986 actual	1987 est.	1988 est.
Projects in preconstruction, end of year	21	17	.....
Projects in construction, start of year	84	89	.....
Projects completed construction during year .....	.....	6	.....
Projects in preconstruction and construction, end of year	105	100	.....
Projects continuing land treatment, end of year	65	66	.....
Projects completed, end of year	160	165	.....
Projects not started, end of year	76	75	.....
Total subwatershed projects	406	406	.....

Emergency watershed protection operations.—This program authorizes the Secretary of Agriculture to undertake such emergency measures for runoff retardation and soil erosion prevention as may be needed to safeguard life and property from floods and the products of erosion on any watershed whenever natural elements or force causes a sudden impairment of that watershed. An emergency is considered to exist when a watershed is suddenly impaired by flood, fire, wind, earthquake, or other natural cause and consequently life and property are endangered by floodwater, erosion, or sediment discharge. The emergency area need not be declared a national disaster area to be eligible for emergency watershed protection. Emergency watershed protection is applicable to small scale, localized disasters as well as large scale disasters. State environmental, natural resource, fish and game, and other agencies participate in planning and coordinating emergency work.

Small watershed operations authorized by Public Law 566.—The Department provides technical and financial assistance to local organizations to install measures for watershed protection, flood prevention, agricultural water management, recreation, and fish and wildlife enhancement.

Watershed work plans are prepared by sponsoring local organizations with the Department's assistance or through State and local resources. After work plans are approved by the Department or Congress (projects where the estimated Federal contribution will exceed \$5 million require congressional approval), technical services and financial assistance are provided for specific works of improvements.

The following tabulation shows the status of Public Law 566 projects:

MAIN WORKLOAD FACTORS

Status of projects approved for operations	1986 actual	1987 est.	1988 est.
Projects in preconstruction	145	170	.....
Projects under construction, start of year	384	394	.....
New construction starts	10	20	.....
Projects completed during year	15	10	.....
Projects Land Treatment continuing	41	31	.....
Subtotal projects requiring funds	595	625	.....
Projects not requiring funds	154	154	.....
Projects completed in prior years	633	648	.....
Total approved projects	1,382	1,427	.....

Loan services.—Loans are made to local sponsoring organizations to finance the local cost of installing works of improvement in Public Law 534 and approved Public Law 566 watershed projects. Repayment with interest is required within 50 years after the principal benefits of improvements first become available. Loans are made from funds available for this purpose from the Agricultural credit insurance fund of the Farmers

Home Administration. Loan services related to processing and making loans are financed from this appropriation.

The 1988 Budget proposes to terminate funding for construction starts and does not provide for new obligations for on-going projects after January 1987.

Object Classification (in thousands of dollars)

Identification code	12-1072-0-1-301	1986 actual	1987 est.	1988 est.
SOIL CONSERVATION SERVICE				
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	52,548	50,314	16,621
11.3	Other than full-time permanent	1,615	1,576	460
11.5	Other personnel compensation	2,485	2,826	317
11.9	Total personnel compensation	56,648	54,716	17,398
12.1	Personnel benefits: Civilian	8,696	9,316	2,774
13.0	Benefits for former personnel	84	78	18,347
21.0	Travel and transportation of persons	2,152	2,301	691
22.0	Transportation of things	575	540	260
23.2	Rental payments to others	1,315	1,274	565
23.3	Communications, utilities, and miscellaneous charges	2,346	2,253	1,020
24.0	Printing and reproduction	292	278	127
25.0	Other services	36,423	34,423	2,644
25.0	Construction contracts	78,842	77,552	3,092
26.0	Supplies and materials	2,025	1,983	684
31.0	Equipment	3,191	3,143	1,277
32.0	Lands and structures	1,230	1,476	.....
41.0	Grants, subsidies, and contributions	27,983	30,089	1,108
42.0	Insurance claims and indemnities	81	75	37
99.0	Subtotal, direct obligations	221,883	219,497	50,024
99.0	Reimbursable obligations	5,868	19,000	.....

ALLOCATION ACCOUNTS

Personnel compensation:				
11.1	Full-time permanent	1,491	1,255	.....
11.3	Other than full-time permanent	277	225	.....
11.5	Other personnel compensation	109	85	.....
11.8	Special personal services payments	3	2	.....
11.9	Total personnel compensation	1,880	1,567	.....
12.1	Personnel benefits: Civilian	259	220	.....
13.0	Benefits for former personnel	52	23	.....
21.0	Travel and transportation of persons	68	52	.....
22.0	Transportation of things	71	61	.....
23.1	Rental payments to GSA	51	50	.....
23.2	Rental payments to others	93	73	.....
23.3	Communications, utilities, and miscellaneous charges	266	190	.....
24.0	Printing and reproduction	6	3	.....
25.0	Other services	907	626	.....
26.0	Supplies and materials	300	170	.....
31.0	Equipment	56	56	.....
32.0	Lands and structures	59	27	.....
41.0	Grants, subsidies, and contributions	546	504	.....
43.0	Interest and dividends	15	17	.....
99.0	Subtotal, obligations allocation accounts	4,629	3,639	.....
99.9	Total obligations	232,381	242,136	50,024

Obligations are distributed as follows:

Soil Conservation Service	227,751	238,497	50,024
Farmers Home Administration	500	255	.....
Forest Service	4,130	3,384	.....

Personnel Summary

SOIL CONSERVATION SERVICE				
Direct:				
Total number of full-time permanent positions	1,802	1,698	.....	.....
Total compensable workyears:				
Full-time equivalent employment	1,936	1,803	433	.....
Full-time equivalent of overtime and holiday hours	67	77	7	.....
Reimbursable:				
Total number of full-time permanent positions	2	2	.....	.....
Total compensable workyears: Full-time equivalent employment	2	2	.....	.....

ALLOCATION ACCOUNTS

Total number of full-time permanent positions	89	70	.....
Total compensable workyears: Full-time equivalent employment	89	70	.....

GREAT PLAINS CONSERVATION PROGRAM*

*See Part II for additional information.

For necessary expenses to [carry into effect a program of conservation in the Great Plains area, pursuant to section 16(b) of the Soil Conservation and Domestic Allotment Act, as added by the Act of August 7, 1956, as amended (16 U.S.C. 590p(b)), \$20,474,000, to remain available until expended] *close out activities previously funded under this account, \$2,831,000. (7 U.S.C. 2201-02; Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)*

Program and Financing (in thousands of dollars)

Identification code	12-2268-0-1-302	1986 actual	1987 est.	1988 est.
Program by activities:				
Direct program:				
00.01	Cost-sharing assistance	11,540	10,648	.....
00.02	Cost-sharing programing and contract administration	2,869	3,149	906
00.03	Technical assistance	6,097	6,692	1,925
00.91	Total direct program	20,506	20,489	2,831
01.01	Reimbursable program	30	60	.....
10.00	Total obligations	20,536	20,549	2,831
Financing:				
Offsetting collections from:				
11.00	Federal sources	—17	—26	.....
14.00	Non-Federal sources	—13	—34	.....
21.40	Unobligated balance available, start of year	—39	—15	.....
24.40	Unobligated balance available, end of year	15	.....	.....
40.00	Budget authority (appropriation)	20,482	20,474	2,831
Relation of obligations to outlays:				
71.00	Obligations incurred, net	20,506	20,489	2,831
72.40	Obligated balance, start of year	33,511	33,977	32,944
74.40	Obligated balance, end of year	—33,977	—32,944	—20,538
90.00	Outlays	20,040	21,522	15,237

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousand of dollars]

Enacted/requested:	1986 actual	1987 est.	1988 est.
Budget authority	20,482	20,474	2,831
Outlays	20,040	21,522	15,237
Rescission proposal:			
Budget authority .....	.....	—8,000	.....
Outlays .....	.....	—5,000	—3,000
Total:			
Budget authority	20,482	12,474	2,831
Outlays	20,040	16,522	12,237

This program provides cost-share and technical services to participating landowners or operators in the Great Plains area in the development and installation of long-term conservation plans and practices for their land under contracts entered into in prior years. It is a voluntary program in 518 designated counties of 10 Great Plains States. Contracts with individual landowners range in time from 3 to 10 years.

MAIN WORKLOAD FACTORS

Program participants:	1986 actual	1987 est.	1988 est.
Number of new contracts during year	946	950	.....
Number of contracts serviced during year	6,697	6,566	1,642
Number of acres under contracts	15,313,074	15,176,739	12,449,739

As of September 30, 1986, there were 5,616 active contracts on hand. Co-landowners or operators finance

General and special funds—Continued

GREAT PLAINS CONSERVATION PROGRAM—Continued

the entire cost of installing recurring management-type practices and pay a specified part of the cost-shared practices installed on their land. Program regulations provide that cost-share rates offered in any contract shall not exceed 80 percent of the cost of installing eligible practices within the designated county. There is a cost-sharing limitation of \$35 thousand for any contract. The fiscal year 1988 budget does not include funding for this program. The budget proposes termination of the Great Plains Program by the end of fiscal year 1988.

Object Classification (in thousands of dollars)

Identification code	12-2268-0-1-302	1986 actual	1987 est.	1988 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	6,304	6,793	1,321
11.3	Other than full-time permanent	88	97	15
11.5	Other personnel compensation	31	34	5
11.9	Total personnel compensation	6,423	6,924	1,341
12.1	Personnel benefits: Civilian	974	1,195	161
13.0	Benefits for former personnel	6	7	1,071
21.0	Travel and transportation of persons	142	156	23
22.0	Transportation of things	62	68	10
23.2	Rental payments to others	264	290	44
23.3	Communications, utilities, and miscellaneous charges	335	368	56
24.0	Printing and reproduction	8	9	1
25.0	Other services	296	324	49
26.0	Supplies and materials	169	185	28
31.0	Equipment	286	314	47
41.0	Grants, subsidies, and contributions	11,540	10,648	.....
42.0	Insurance claims and indemnities	1	1	.....
99.0	Subtotal, direct obligations	20,506	20,489	2,831
99.0	Reimbursable obligations	30	60	.....
99.9	Total obligations	20,536	20,549	2,831

Personnel Summary

Total number of full-time permanent positions	232	252	.....
Total compensable workyears: Full-time equivalent employment	250	260	40

RESOURCE CONSERVATION AND DEVELOPMENT*

*See Part II for additional information.

For necessary expenses [in planning and carrying out projects for resource conservation and development and for sound land use pursuant to the provisions of section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1010-1011; 76 Stat. 607), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), and the provisions of the Agriculture and Food Act of 1981 (16 U.S.C. 3451-3461), \$25,020,000: *Provided*, That \$1,207,000 in loans may be insured, or made to be sold and insured, under the Agricultural Credit Insurance Fund of the Farmers Home Administration (7 U.S.C. 1931): *Provided further*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$50,000 shall be available for employment under 5 U.S.C. 3109.] *to close out activities previously funded under this account, \$10,002,000. (7 U.S.C. 2201-02; 33 U.S.C. 701b-11; Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)*

Program and Financing (in thousands of dollars)

Identification code	12-1010-0-1-302	1986 actual	1987 est.	1988 est.
Program by activities:				
Direct program:				
00.01	Technical assistance	17,339	18,363	9,902

00.02	Financial assistance	8,086	7,697	100
00.03	Loan services	114	75	.....
00.91	Total direct program	25,539	26,135	10,002
01.01	Reimbursable program	1,085	2,000	.....
10.00	Total obligations	26,624	28,135	10,002
Financing:				
Offsetting collections from:				
11.00	Federal funds	-34	-63	.....
14.00	Non-Federal sources	-1,051	-1,937	.....
21.40	Unobligated balance available, start of year	-1,617	-1,115	.....
24.40	Unobligated balance available, end of year	1,115	.....	.....
40.00	Budget authority (appropriation)	25,037	25,020	10,002
Relation of obligations to outlays:				
71.00	Obligations incurred, net	25,539	26,135	10,002
72.40	Obligated balance, start of year	12,151	10,551	8,536
74.40	Obligated balance, end of year	-10,551	-8,536	-972
90.00	Outlays	27,139	28,150	17,566

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dollars]				
Enacted/requested:				
	Budget authority	1986 actual	1987 est.	1988 est.
	Outlays	27,139	28,150	17,566
Rescission proposal:				
	Budget authority .....	.....	-5,000	.....
	Outlays .....	.....	-3,000	-2,000
Total:				
	Budget authority	25,037	20,020	10,002
	Outlays	27,139	25,150	15,566

This program provides for the Department to assist States, local units of government, groups and individuals in developing area plans for resource conservation and development (RC&D).

RC&D areas are provided technical and financial assistance to help States and local units of government prepare plans for resource development and economic improvement and to plan and install community-type conservation projects or measures. Financial contributions, loans, and other Federal assistance are used to help carry out measures specified in RC&D area plans. Loans were made through the Farmers Home Administration to qualified local organizations to help finance their share of the costs of installing the measures.

Under this proposal, the RC&D program would be terminated by the end of 1988.

The following tabulation shows the status of RC&D areas authorized to receive technical and financial assistance.

MAIN WORKLOAD FACTORS

	1986 actual	1987 est.	1988 est.
Areas authorized at beginning of year	194	191	189
Areas authorized at end of year	191	189	.....
RC&D financial assisted measures completed	197	150	.....
RC&D financial assisted measures planned	57	50	.....
RC&D measures completed with other than financial assistance	856	950	.....

Object Classification (in thousands of dollars)

Identification code	12-1010-0-1-302	1986 actual	1987 est.	1988 est.
SOIL CONSERVATION SERVICE				
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	10,782	11,163	3,470
11.3	Other than full-time permanent	661	684	200
11.5	Other personnel compensation	139	144	31
11.9	Total personnel compensation	11,582	11,991	3,701
12.1	Personnel benefits: Civilian	1,979	2,536	608

13.0	Benefits for former personnel	32	33	4,223
21.0	Travel and transportation of persons	367	382	166
22.0	Transportation of things	126	131	57
23.2	Rental payments to others	425	443	193
23.3	Communications, utilities, and miscellaneous charges	571	595	259
24.0	Printing and reproduction	58	60	25
25.0	Other services	832	841	278
25.0	Construction contracts	2,632	2,506	34
26.0	Supplies and materials	546	550	152
31.0	Equipment	527	549	240
41.0	Grants, subsidies, and contributions	5,073	4,830	66
42.0	Insurance claims and indemnities	1	1	.....
99.0	Subtotal, direct obligations	24,751	25,448	10,002
99.0	Reimbursable obligations	1,085	2,000	.....
ALLOCATION ACCOUNTS				
Personnel compensation:				
11.1	Full-time permanent	170	138	.....
11.3	Other than full-time permanent	1	1	.....
11.9	Total personnel compensation	171	139	.....
12.1	Personnel benefits: Civilian	22	18	.....
21.0	Travel and transportation of persons	16	13	.....
22.0	Transportation of things	12	10	.....
23.1	Rental payments to GSA	10	11	.....
23.2	Rental payments to others	4	3	.....
23.3	Communications, utilities, and miscellaneous charges	9	7	.....
24.0	Printing and reproduction	1	.....	.....
25.0	Other services	61	51	.....
26.0	Supplies and materials	1	.....	.....
31.0	Equipment	3	3	.....
41.0	Grants, subsidies, and contributions	450	410	.....
44.0	Refunds	28	23	.....
99.0	Subtotal, allocation accounts	788	687	.....
99.9	Total obligations	26,624	28,135	10,002
Obligations are distributed as follows:				
	Soil Conservation Service	25,836	27,448	10,002
	Farmers Home Administration	114	75	.....
	Forest Service	674	612	.....

Personnel Summary

SOIL CONSERVATION SERVICE				
Total number of full-time permanent positions	338	362	.....	.....
Total compensable workyears:				
Full-time equivalent employment	397	408	87	.....
Full-time equivalent of overtime and holiday hours	2	2	.....	.....
ALLOCATION ACCOUNTS				
Total number of full-time permanent positions	6	5	.....	.....
Total compensable workyears: Full-time equivalent employment	6	5	.....	.....

Trust Funds**MISCELLANEOUS CONTRIBUTED FUNDS****Program and Financing (in thousands of dollars)**

Identification code 12-8210-0-7-300	1986 actual	1987 est.	1988 est.
Program by activities:			
10.00 Total obligations	2,195	6,656	560
Financing:			
21.40 Unobligated balance available, start of year	-7,547	-6,096	.....
24.40 Unobligated balance available, end of year	6,096	.....	.....
60.00 Budget authority (appropriation) (permanent, indefinite)	744	560	560
Relation of obligations to outlays:			
71.00 Obligations incurred, net	2,195	6,656	560
72.40 Obligated balance, start of year	932	390	5,177
74.40 Obligated balance, end of year	-390	-5,177	-3,868
90.00 Outlays	2,738	1,869	1,869

Funds received from State and local organizations, and others are available for work under cooperative agreements for soil survey, watershed protection, and resource conservation and development activities. All activities of this program involving watershed protection and resource conservation and development will be terminated by the end of 1988.

Object Classification (in thousands of dollars)

Identification code 12-8210-0-7-300	1986 actual	1987 est.	1988 est.
Personnel compensation:			
11.1 Full-time permanent	412	272	277
11.3 Other than full-time permanent	37	8	9
11.5 Other compensation	21	2	2
11.9 Total personnel compensation	470	282	288
12.1 Personnel benefits: Civilian	61	37	37
13.0 Benefits for former personnel .....	.....	.....	30
21.0 Travel and transportation of persons	4	3	3
23.2 Rental payments to others	8	8	8
23.3 Communications, utilities, and miscellaneous charges	15	15	15
24.0 Printing and reproduction	19	25	5
25.0 Other services	64	1,250	35
25.0 Construction contracts	1,459	5,000	125
26.0 Supplies and materials	10	10	8
31.0 Equipment	14	20	5
41.0 Grants, subsidies and contributions	71	6	1
99.9 Total obligations	2,195	6,656	560

Personnel Summary

Total number of full-time permanent positions	15	11	11
Total compensable workyears:			
Full-time equivalent employment	19	12	12
Full-time equivalent of overtime and holiday hours	1	1	1

ALLOCATIONS RECEIVED FROM OTHER AGENCIES

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows:

Agriculture: Soil Conservation Service:

"Watershed and flood prevention operations."

"Resource conservation and development."

Agriculture: Agricultural Stabilization and Conservation Service, "Water Bank program."

Commerce:

General Administration: Economic development assistance programs:

Regional Development Program: "Regional development programs."

Energy: "Building and community systems."

Environmental Protection Agency: "Abatement control and compliance."

Treasury: "Energy security reserve."

Appalachian Regional Commission, "Appalachian regional development programs."

Federal Emergency Management Administration, "Disaster relief."

Interior: Office of Surface Mining Reclamation and Enforcement, "Abandoned mine reclamation fund."

ANIMAL AND PLANT HEALTH INSPECTION SERVICE**Federal Funds****General and special funds:****SALARIES AND EXPENSES****(INCLUDING TRANSFERS OF FUNDS)**

For expenses, not otherwise provided for, including those pursuant to the Act of February 28, 1947, as amended (21 U.S.C. 114b-c), necessary to prevent, control, and eradicate pests and plant and animal diseases; to carry out inspection, quarantine, and regulatory activities; to discharge the authorities of the Secretary of Agriculture under the Act of March 2, 1931 (46 Stat. 1468; 7 U.S.C. 426-426b); and to protect the environment, as authorized by law, **[\$300,967,000;] \$296,266,000**, of which **[\$10,000,000] \$4,500,000** shall be available for the control of outbreaks of insects, plant diseases and animal diseases to the extent necessary to meet emergency conditions: **[Provided, That \$1,000,000 of the funds for control of the fire ant shall be placed**

General and special funds—Continued

SALARIES AND EXPENSES—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

in reserve for matching purposes with States which may come into the program:] *Provided [further]*, That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by the States of at least 40 per centum: *Provided further*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$40,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That this appropriation shall be available for the operation and maintenance of aircraft and the purchase of not to exceed two, of which one shall be for replacement only: *Provided further*, That, in addition, in emergencies which threaten any segment of the agricultural production industry of this country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as he may deem necessary, to be available only in such emergencies for the arrest and eradication of contagious or infectious diseases or pests of animals, poultry, or plants, and for expenses in accordance with the Act of February 28, 1947, as amended, and section 102 of the Act of September 21, 1944, as amended, and any unexpended balances of funds transferred for such emergency purposes in the next preceding fiscal year shall be merged with such transferred amounts. (10 U.S.C. 2306; 15 U.S.C. 69e, 1821-31; 16 U.S.C. 1531-43; 18 U.S.C. 1114; 19 U.S.C. 1306; 21 U.S.C. 101-105, 111-114, 114a-114c; 114d-1, 114e-131, 134-135b, 151-158; 26 U.S.C. 4491-94; 45 U.S.C. 71-74; 46 U.S.C. 466a-466b; 49 U.S.C. 1471(a)-1509(d), 1741; 46 Stat. 67; 78 Stat. 939-940; 99 Stat. 1645-1650, 1654-1656, 1658-1659; Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)

Program and Financing (in thousands of dollars)

Identification code 12-1600-0-1-352		1986 actual	1987 est.	1988 est.
Program by activities:				
Direct program:				
00.01	Plant disease and pest control.....	112,098	105,624	105,059
00.02	Animal disease and pest control.....	166,403	169,408	170,608
00.03	Animal damage control.....	20,500	21,596	12,099
00.04	Biotechnology.....			4,000
00.05	Construction of facilities.....		4	
00.06	Contingencies.....	1,727	10,000	4,500
00.91	Total direct program.....	300,728	306,632	296,266
01.01	Reimbursable program.....	28,008	14,351	14,101
10.00	Total obligations.....	328,736	320,983	310,367
Financing:				
Offsetting collections from:				
11.00	Federal funds.....	-16,051	-4,533	-4,533
14.00	Non-Federal sources.....	-8,860	-9,568	-9,568
21.40	Unobligated balance available, start of year.....	-3,352	-3,915	
22.40	Unobligated balance transferred, net.....	-4,436	-2,000	
24.40	Unobligated balance available, end of year.....	3,915		
25.00	Unobligated balance lapsing.....	916		
40.00	Budget authority (appropriation).....	300,869	300,967	296,266
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	303,825	306,882	296,266
72.40	Obligated balance, start of year.....	36,287	66,112	83,386
74.40	Obligated balance, end of year.....	-66,112	-83,386	-86,825
77.00	Adjustments in expired accounts.....	1,655		
90.00	Outlays.....	275,655	289,608	292,827

SUMMARY OF BUDGET AUTHORITY

(In thousands of dollars)

Enacted/requested:		1986 actual	1987 est.	1988 est.
Budget authority.....		300,869	300,967	296,266
Outlays.....		275,655	289,608	292,827
Proposed for later transmittal under proposed legislation:				
Budget authority.....				-85,876

Outlays.....			-85,876
Total:			
Budget authority.....	300,869	300,967	210,390
Outlays.....	275,655	289,608	206,951

The major objectives of the Animal and Plant Health Inspection Service are to protect the animal and plant resources of the Nation from destructive pests and diseases.

Plant disease and pest control.—Through inspections at ports of entry, insects, plant diseases, nematodes and animal pests and diseases harmful to agriculture are prevented from entering this country. Cooperative programs with the States are conducted to prevent the spread of and/or to eradicate certain plant pests already established in this country. The 1988 estimates maintain support for plant disease and pest control efforts, by increasing the agricultural quarantine inspection, medfly and witchweed programs, while decreasing the boll weevil, grasshopper and pink bollworm programs and eliminating the imported fire ant, and noxious weeds programs. Legislation will be proposed to recover \$67.0 million in fees for agricultural quarantine inspection.

Animal disease and pest control.—Inspections and programs are conducted to keep communicable diseases of foreign origin from entering this country and to prevent the spread of diseases through interstate shipments of livestock or distribution of impure or impotent veterinary biologics. In cooperation with States, programs are directed at the control and eradication of livestock diseases present in this country. Foreign animal diseases, should they enter this country, are rapidly diagnosed and outbreaks which are of economic significance and for which the Secretary of Agriculture declares a national emergency are controlled and eradicated. The 1988 estimates propose increases for animal health compliance and enforcement and foot-and-mouth (DG) programs and decreases for brucellosis and animal welfare. The budget proposes elimination of the pseudorabies program. Legislation will be proposed to recover total costs for the import-export and veterinary biologics programs through user fees, as well as \$1.6 million for diagnostic activities.

Animal damage control.—Conducted to reduce wildlife-caused damage to agricultural interests and protect land use and wildlife resource values through the maintenance of a Federal presence in cooperation with the States and other cooperators. The Department of the Interior conducted the program prior to 1986. The budget proposes a decrease for this program in fiscal year 1988.

Biotechnology.—This Agency has the responsibility to coordinate the development and implementation of all matters and functions pertaining to the Department's regulation of biotechnology and the responsibility to act as liaison on all matters and functions pertaining to the regulation of biotechnology between agencies within the Department, between the Department and governmental and private organizations. Additionally, this agency has been designated the lead agency within USDA for regulating and evaluating applications of biotechnologically derived products for test permits and commercial licenses. The budget proposes initial funding of \$4.0 million.

Construction of facilities.—In 1981, the Congress appropriated funds under a separate account to APHIS, Buildings and Facilities. The activity reflected shows obligations from prior year funds.

Contingencies.—The 1988 estimates provide a contingency fund of \$4.5 million.

Object Classification (in thousands of dollars)

Identification code	12-1600-0-1-352	1986 actual	1987 est.	1988 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	122,713	123,769	121,624
11.3	Other than full-time permanent	5,748	6,291	6,142
11.5	Other personnel compensation	7,353	7,047	6,923
11.9	Total personnel compensation	135,814	137,107	134,689
12.1	Personnel benefits: Civilian	21,663	21,821	30,317
13.0	Benefits for former personnel	269	268	263
21.0	Travel and transportation of persons	10,017	9,862	9,389
22.0	Transportation of things	2,585	2,531	2,113
23.2	Rental payments to others	2,589	2,472	2,472
23.3	Communications, utilities, and miscellaneous charges	11,306	11,308	10,738
24.0	Printing and reproduction	795	811	839
25.0	Other services	52,372	57,346	46,629
26.0	Supplies and materials	21,638	20,339	15,748
31.0	Equipment	8,413	8,428	7,545
32.0	Land and structures		4	
Grants, subsidies, and contributions:				
41.0	Mexican-United States Commission for the Prevention of Foot-and-Mouth Disease	135	137	84
41.0	Joint United States-Mexico Screwworm Commission	20,592	21,217	21,767
41.0	Joint United States-Panama Commission; United States-Colombia Mechanism to Prevent Introduction of Foot-and-Mouth Disease at Darien Gap	1,515	1,546	2,046
41.0	Joint Commission on the Mediterranean fruit fly	2,896	3,249	3,749
Insurance claims and indemnities:				
42.0	Brucellosis	6,244	6,406	6,168
42.0	Scrapie of sheep	447	450	450
42.0	Tuberculosis	1,299	1,310	1,250
42.0	Insurance claims	61	20	10
42.0	Exotic new cattle	78		
99.0	Subtotal, direct obligations	300,728	306,632	296,266
99.0	Reimbursable obligations	28,008	14,351	14,101
99.9	Total obligations	328,736	320,983	310,367

Personnel Summary

Direct:				
	Total number of full-time permanent positions	4,417	4,417	4,247
Total compensable workyears:				
	Full-time equivalent employment	4,752	4,752	4,483
	Full-time equivalent of overtime and holiday hours	128	128	128
Reimbursable:				
	Total number of full-time permanent positions	175	175	175
Total compensable workyears:				
	Full-time equivalent employment	252	184	182
	Full-time equivalent of overtime and holiday hours	150	150	150

SALARIES AND EXPENSES

(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identification code	12-1600-2-1-352	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations			
Financing:				
14.00	Offsetting collections from: Non-Federal sources			—85,876
40.00	Budget authority (appropriation)			—85,876
Relation of obligations to outlays:				
71.00	Obligations incurred, net			—85,876
90.00	Outlays			—85,876

This schedule reflects a legislative proposal to finance plant and animal disease, and pest control activities on a user-charge basis.

BUILDINGS AND FACILITIES

For plans, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities, as authorized by 7 U.S.C. 2250, and acquisition of land as authorized by 7 U.S.C. 428a, [\$2,246,000] \$2,347,000. (Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)

Program and Financing (in thousands of dollars)

Identification code	12-1601-0-1-352	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 32.0)	1,351	8,518	2,647
Financing:				
21.40	Unobligated balance available, start of year	—3,869	—6,572	—300
24.40	Unobligated balance available, end of year	6,572	300	
40.00	Budget authority (appropriation)	4,054	2,246	2,347
Relation of obligations to outlays:				
71.00	Obligations incurred, net	1,351	8,518	2,647
72.40	Obligated balance, start of year	3,343	1,932	6,806
74.40	Obligated balance, end of year	—1,932	—6,806	—3,667
90.00	Outlays	2,763	3,644	5,786

The 1988 estimates provide for construction, repairs, and alterations as needed for APHIS operated facilities, which include animal quarantine stations, border inspection stations, sterile insect rearing facilities, and laboratories.

Trust Funds

MISCELLANEOUS TRUST FUNDS

Program and Financing (in thousands of dollars)

Identification code	12-9971-0-7-352	1986 actual	1987 est.	1988 est.
Program by activities:				
00.01	Expenses and refunds, inspection, certification and quarantine of animal products	1		
00.02	Expenses, feed, and attendants for animals in quarantine	2,218	2,125	2,125
00.03	Miscellaneous contributed funds	2,528	2,610	2,610
10.00	Total obligations	4,746	4,735	4,735
Financing:				
21.40	Unobligated balance available, start of year	—887	—1,155	—1,155
24.40	Unobligated balance available, end of year	1,155	1,155	1,155
60.00	Budget authority (appropriation) (permanent, indefinite)	5,013	4,735	4,735
Relation of obligations to outlays:				
71.00	Obligations incurred, net	4,746	4,735	4,735
72.40	Obligated balance, start of year	311	458	458
74.40	Obligated balance, end of year	—458	—458	—458
90.00	Outlays	4,598	4,735	4,735
Distribution of budget authority by account:				
	Expenses, feed, and attendants for animals in quarantine	2,495	2,125	2,125
	Miscellaneous contributed funds	2,518	2,610	2,610
Distribution of outlays by account:				
	Expenses and refunds, inspection, certification, and quarantine of animal products	—1		
	Expenses, feed, and attendants for animals in quarantine	2,127	2,125	2,125
	Miscellaneous contributed funds	2,473	2,610	2,610

MISCELLANEOUS TRUST FUNDS—Continued

The following services are financed by fees and miscellaneous contributions advanced by importers, manufacturers, States, organizations, individuals, and others:

Expenses and refunds, inspection, certification, and quarantine of animal products.—This includes inspection of animal hides and other animal materials to be exported. Fees are paid in advance for services to be rendered (7 U.S.C. 1621-1627) (21 U.S.C. 111).

Expenses, feed, and attendants for animals in quarantine.—Costs associated with the care of animals are paid from fees advanced by importers (21 U.S.C. 102).

Miscellaneous contributed funds.—Funds are received from States, local organizations, individuals, and others and are available for plant and animal quarantine inspection and cooperative plant and animal disease and pest control activities (7 U.S.C. 450b, 2220). Commencing with 1979, fees were collected for the importation of commercial birds.

Object Classification (in thousands of dollars)

Identification code	12-9971-0-7-352	1986 actual	1987 est.	1988 est.
Personnel compensation:				
11.1	Full-time permanent.....	1,139	1,170	1,170
11.3	Other than full-time permanent.....	354	356	356
11.5	Other personnel compensation.....	299	315	315
11.9	Total personnel compensation.....	1,792	1,841	1,841
12.1	Personnel benefits: Civilian.....	204	190	190
21.0	Travel and transportation of persons.....	467	438	438
22.0	Transportation of things.....	41	36	36
23.2	Rental payments to others.....	227	198	198
23.3	Communications, utilities, and miscellaneous charges.....	337	400	400
24.0	Printing and reproduction.....		3	3
25.0	Other services.....	1,197	1,307	1,307
26.0	Supplies and materials.....	342	306	306
31.0	Equipment.....	26	16	16
44.0	Refunds.....	113		
99.9	Total obligations.....	4,746	4,735	4,735

Personnel Summary

Total number of full-time permanent positions.....	47	47	47
Total compensable workyears:			
Full-time equivalent employment.....	62	64	64
Full-time equivalent of overtime and holiday hours.....	6	6	6

FEDERAL GRAIN INSPECTION SERVICE

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the United States Grain Standards Act, as amended, and the standardization activities related to grain under the Agricultural Marketing Act of 1946, as amended, including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$20,000 for employment under 5 U.S.C. 3109, **[\$6,697,000] \$7,122,000**. *Provided*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but, unless otherwise provided, the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building: *Provided further*, That none of the funds provided by this Act may be used to pay the salaries of any person or persons who require, or who authorize payments from fee-supported funds to any person or persons who require nonexport, nonterminal interior elevators to maintain records not involving official inspection or official weighing in the United

States under Public Law 94-582 other than those necessary to fulfill the purposes of such Act. (7 U.S.C. 71, 74-79, 84-87h, 1621-27; *Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a.)*)

Program and Financing (in thousands of dollars)

Identification code	12-2400-0-1-352	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations.....	6,401	6,878	7,122
Financing:				
25.00	Unobligated balance lapsing.....	301		
39.00	Budget authority.....	6,702	6,878	7,122
Budget authority:				
40.00	Appropriation.....	6,702	6,697	7,122
Transfers in for:				
46.20	Civilian pay raises.....		105	
46.40	Retirement contributions (P.L. 99-335).....		76	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	6,401	6,878	7,122
72.40	Obligated balance, start of year.....	2,146	1,509	1,509
74.40	Obligated balance, end of year.....	-1,509	-1,509	-1,509
77.00	Adjustments in expired accounts.....	-22		
89.00	Outlays.....	7,016	6,878	7,122
Outlays:				
90.00	Outlays, excluding pay and retirement supplementals.....	7,016	6,697	7,122
91.20	Outlays from civilian pay raise supplemental.....		105	
91.40	Outlays from retirement contribution supplemental.....		76	

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

Enacted/requested:	1986 actual	1987 est.	1988 est.
Budget authority.....	6,702	6,878	7,122
Outlays.....	7,016	6,878	7,122
Proposed for later transmittal under proposed legislation:			
Budget authority.....			7,122
Outlays.....			7,122
Total:			
Budget authority.....	6,702	6,878	
Outlays.....	7,016	6,878	

The FGIS provides for the establishment of official United States standards for grain, promotes the uniform application thereof by official inspection personnel, provides for an official inspection system for grain, and regulates the weighing and certification of the weight of grain shipped in interstate or foreign commerce as authorized by the U.S. Grain Standards Act (USGSA), as amended, and the regulations thereof, and the Agricultural Marketing Act of 1946.

Standardization activities include establishing and updating U.S. grain standards and research and developing and improving methods to ensure the accurate and uniform application of the standards.

Compliance activities include: evaluating alleged violations and initiating preliminary investigations; initiating preliminary investigations; initiating the implementation of all necessary corrective actions; conducting management and technical reviews; administering the designation of agencies and the delegation of State agencies to perform official functions; identifying conflicts of interest; licensing agency personnel; responding to audits of FGIS programs; and reviewing and, when appropriate, approving fee schedules.

The International Monitoring Staff will brief foreign buyers, assess foreign inspection and weighing tech-

niques, and respond to foreign quality and quantity complaints.

An advisory committee consisting of members from the grain industry was established to advise the agency regarding efficient and economical implementations of the USGSA.

The Grain Quality Improvement Act of 1986 was enacted on November 10, 1986, to improve the quality of U.S. grain by prohibiting the introduction and reintroduction of dockage and foreign material to grain. FGIS will draft action plans for implementation of the provisions of the new law which becomes effective May 1, 1987. The financial impact of this legislation is under analysis.

	1986 actual	1987 est.	1988 est.
U.S. standards in effect at end of year	20	20	20
New and revised standards issued during fiscal year	1	13	4
Standards reviews in progress	18	16	5
Standards reviews completed	0	15	4
Inspection techniques developed	8	8	9
Equipment evaluated	10	10	8
On-site investigations	8	12	12
Designations renewed	27	27	27
Registration certificates issued	110	110	110

Object Classification (in thousands of dollars)

Identification code	12-2400-0-1-352	1986 actual	1987 est.	1988 est.
Personnel compensation:				
11.1	Full-time permanent	3,729	3,923	3,862
11.3	Other than full-time permanent	11	27	24
11.5	Other personnel compensation	28	29	68
11.9	Total personnel compensation	3,768	3,979	3,954
12.1	Personnel benefits: Civilian	494	573	767
13.0	Benefits for former personnel	22	68	22
21.0	Travel and transportation of persons	244	291	236
22.0	Transportation of things	32	20	31
23.2	Rental payments to others	19	21	18
23.3	Communications, utilities, and miscellaneous charges	270	259	277
24.0	Printing and reproduction	34	84	23
25.0	Other services	1,115	1,213	1,418
26.0	Supplies and materials	147	135	134
31.0	Equipment	256	235	242
99.9	Total obligations	6,401	6,878	7,122

Personnel Summary

Total number of full-time permanent positions	118	120	120
Total compensable workyears: Full-time equivalent employment	122	156	156

SALARIES AND EXPENSES

(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identification code	12-2400-2-1-352	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations			-7,122
Financing:				
40.00	Budget authority (appropriation)			-7,122
Relation of obligations to outlays:				
71.00	Obligations incurred, net			-7,122
90.00	Outlays			-7,122

Legislation will be proposed to fund all standardization and compliance activities in the Inspection and Weighing Services revolving fund from user fees.

Object Classification (in thousands of dollars)

Identification Code	12-2400-2-1-352	1986 actual	1987 est.	1988 est.
Personnel compensation:				
11.1	Full-time permanent			-3,862
11.3	Other than full-time permanent			-24
11.5	Other personnel compensation			-68
11.9	Total personnel compensation			-3,954
12.1	Personnel benefits: Civilian			-767
13.0	Benefits for former personnel			-22
21.0	Travel and transportation of persons			-236
22.0	Transportation of things			-31
23.2	Rental payments to others			-18
23.3	Communications, utilities, and miscellaneous charges			-277
24.0	Printing and reproduction			-23
25.0	Other services			-1,418
26.0	Supplies and materials			-134
31.0	Equipment			-242
99.9	Total obligations			-7,122

Personnel Summary

Total number of full-time permanent positions	-120
Total compensable workyears: Full-time equivalent employment	-156

Public enterprise funds:

INSPECTION AND WEIGHING SERVICES

LIMITATION ON INSPECTION AND WEIGHING EXPENSES

Not to exceed **[\$36,829,000] \$36,856,000** (from fees collected) shall be obligated during the current fiscal year for Inspection and Weighing Services. (*Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

Program and Financing (in thousands of dollars)

Identification code	12-4050-0-3-352	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations	29,902	36,829	36,856
Financing:				
14.00	Offsetting collections from: Non-Federal sources	-28,485	-36,829	-36,856
21.98	Unobligated balance available, start of year: Fund balance	-10,131	-8,714	-8,714
24.98	Unobligated balance available, end of year: Fund balance	8,714	8,714	8,714
39.00	Budget authority			
Relation of obligations to outlays:				
71.00	Obligations incurred, net	1,417		
72.98	Obligated balance, start of year: Fund balance	-1,939	-1,287	-1,287
74.98	Obligated balance, end of year: Fund balance	1,287	1,287	1,287
90.00	Outlays	765		

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dollars]				
Enacted/requested:				
Budget authority	1986 actual	1987 est.	1988 est.	
Outlays	765			
Proposed for later transmittal under proposed legislation:				
Budget authority				
Outlays				
Total:				
Budget authority				
Outlays	765			

The Federal Grain Inspection Service provides a uniform system for the inspection and weighing of grain. Services provided under this system are financed through a fee supported revolving fund.

Fee supported programs include direct services, supervision activities and administrative functions. Direct

Public enterprise funds—Continued

INSPECTION AND WEIGHING SERVICES—Continued

LIMITATION ON INSPECTION AND WEIGHING EXPENSES—Continued

services include official grain inspection and weighing by FGIS employees at certain export ports as well as the inspection of U.S. grain shipped through Canada. FGIS supervises the inspection and weighing activities performed by its own employees. The agency also oversees the inspection and weighing of grain performed by employees of 8 delegated States and 80 designated State and private agencies. FGIS provides an appeal service of original grain inspections and a registration system for grain exporting firms. Through support from the Association of American Railroads and user fees, FGIS conducts a railroad track scale testing program. In addition, the agency provides grading services on request for rice and grain related products under the authority of the Agricultural Marketing Act of 1946 (AMA).

Export grain inspected and weighed (million metric tons):	1986 actual	1987 est.	1988 est.
By Federal personnel.....	64.7	68.6	68.6
By delegated States.....	18.1	19.4	19.4
Quantity of grain inspected (all official inspections) million metric tons.....	247.6	252.8	252.8
Number of inspections and reinspections:			
By Federal personnel.....	205,275	205,000	205,000
By delegated state/official agency personnel.....	2,817,161	2,817,000	2,817,000
Number of appeals.....	11,353	11,400	11,400
Number of appeals carried to the Board of Appeals.....	1,841	1,800	1,800
Quantity of rice inspected (million metric tons).....	4.1	4.1	4.1
Quantity of rice exports (million metric tons).....	2.4	2.6	2.6

Revenue and Expense (in thousands of dollars)

	1986 actual	1987 est.	1988 est.
Operating income or loss: Inspection and weighing services:			
Revenue.....	28,485	36,829	36,856
Expense.....	29,902	36,829	36,856
Net income or loss (—) for the year ¹	—1,417		

¹ This amount reflects prior year transactions recorded in 1986. Program operations for fiscal year 1986 generated obligations of \$29,558,411 and revenues of \$27,506,836 resulting in a negative margin of \$2,051,575.

Financial Condition (in thousands of dollars)

	1985 actual	1986 actual	1987 est.	1988 est.
Assets:				
Selected assets:				
Fund balance with Treasury.....	2,507	4,332	4,332	4,332
Investments, U.S. securities (par).....	5,685	3,095	3,095	3,095
Accounts receivable (net).....	5,041	3,770	3,770	3,770
Total assets.....	13,233	11,197	11,197	11,197
Liabilities:				
Selected liabilities:				
Accounts payable and accrued liabilities.....	3,102	2,483	2,483	2,483
Government equity:				
Selected equities:				
Unobligated balance (total Government equity).....	10,131	8,714	8,714	8,714
Analysis of changes in Government equity:				
Retained income: Opening balance.....		10,131	8,714	8,714
Transactions: Net income or loss (—) for the year.....		—1,417		
Total Government equity (end of year).....		8,714	8,714	8,714

Object Classification (in thousands of dollars)

Identification code 12-4050-0-3-352	1986 actual	1987 est.	1988 est.
Personnel compensation:			
11.1 Full-time permanent.....	15,954	19,826	19,826
11.3 Other than full-time permanent.....	736	1,447	1,447

11.5 Other personnel compensation.....	2,794	3,311	3,311
11.9 Total personnel compensation.....	19,484	24,584	24,584
12.1 Personnel benefits: Civilian.....	2,427	2,765	2,765
13.0 Benefits for former personnel.....	321	407	407
21.0 Travel and transportation of persons.....	950	1,170	1,170
22.0 Transportation of things.....	125	102	102
23.1 Rental payments to GSA.....	374	762	762
23.2 Rental payments to others.....	288	386	386
23.3 Communications, utilities, and miscellaneous charges.....	1,256	1,419	1,419
24.0 Printing and reproduction.....	139	173	173
25.0 Other services.....	3,661	4,010	4,037
26.0 Supplies and materials.....	383	481	481
31.0 Equipment.....	492	568	568
42.0 Insurance claims and indemnities.....	2	2	2
99.9 Total obligations.....	29,902	36,829	36,856

Personnel Summary

Total number of full-time permanent positions.....	586	591	591
Total compensable workyears:			
Full-time equivalent employment.....	779	784	784
Full-time equivalent of overtime and holiday hours.....	71	120	120

INSPECTION AND WEIGHING SERVICES

LIMITATION ON ADMINISTRATIVE EXPENSES

(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identification code 12-4050-2-3-352	1986 actual	1987 est.	1988 est.
Program by activities:			
10.00 Total obligations.....			7,122
Financing:			
14.00 Offsetting collections from: Non-Federal sources.....			—7,122
39.00 Budget authority.....			
Relation of obligations to outlays:			
71.00 Obligations incurred, net.....			
90.00 Outlays.....			

Legislation will be proposed to fund all compliance and standardization activities in the inspection and weighing services revolving fund from user fees.

Object Classification (in thousands of dollars)

Identification code 12-4050-2-3-352	1986 actual	1987 est.	1988 est.
Personnel compensation:			
11.1 Full-time permanent.....			3,862
11.3 Other than full-time permanent.....			24
11.5 Other personnel compensation.....			68
11.9 Total personnel compensation.....			3,954
12.1 Personnel benefits: Civilian.....			767
13.0 Benefits for former personnel.....			22
21.0 Travel and transportation of persons.....			236
22.0 Transportation of things.....			31
23.2 Rental payments to others.....			18
23.3 Communications, utilities, and miscellaneous charges.....			277
24.0 Printing and reproduction.....			23
25.0 Other services.....			1,418
26.0 Supplies and materials.....			134
31.0 Equipment.....			242
99.9 Total obligations.....			7,122

Personnel Summary

Total number of full-time permanent positions.....	120
Total compensable workyears: Full-time equivalent employment.....	156

AGRICULTURAL MARKETING SERVICE

Federal Funds

General and special funds:

MARKETING SERVICES

For necessary expenses to carry on services related to consumer protection, agricultural marketing and distribution and regulatory programs as authorized by law [], and for administration and coordination of payments to states []; including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$70,000 for employment under 5 U.S.C. 3109, [\$30,945,000] \$33,081,000; of which not less than \$1,618,000 shall be available for the Wholesale Market Development Program for the design and development of wholesale and farmer market facilities for the major metropolitan areas of the country: *Provided*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but, unless otherwise provided, the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building. (5 U.S.C. 5542; 15 U.S.C. 714-714p; 21 U.S.C. 1031-56; 26 U.S.C. 4851-54, 4861-65, 4871-77, 6804, 7233, 7263, 7492-93, 7701; 31 U.S.C. 725d. Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed [\$28,164,000] \$30,742,000 (from fees collected) shall be obligated during the current fiscal year for administrative expenses. (Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)

Program and Financing (in thousands of dollars)

Identification code	12-2500-0-1-352	1986 actual	1987 est.	1988 est.
Program by activities:				
Direct program:				
00.01	Market news service.....	14,039	14,625	15,388
00.02	Inspection and standardization.....	12,358	13,319	13,983
00.03	Market protection and promotion.....	1,998	1,963	2,092
00.04	Wholesale market development.....	1,614	1,528	1,618
00.91	Total direct program.....	30,009	31,435	33,081
01.01	Reimbursable program.....	33,385	37,730	32,525
10.00	Total obligations.....	63,394	69,165	65,606
Financing:				
Offsetting collections from:				
11.00	Federal funds.....	-460	-351	-351
Non-Federal sources:				
14.00	User fees.....	-29,266	-28,872	-30,742
14.00	Miscellaneous reimbursements.....	-1,352	-1,432	-1,432
21.40	Unobligated balance available, start of year.....	-9,377	-7,069	
24.40	Unobligated balance available, end of year.....	7,069		
25.00	Unobligated balance lapsing.....	507		
39.00	Budget authority.....	30,516	31,435	33,081
Budget authority:				
40.00	Appropriation.....	30,644	30,945	33,081
41.00	Transferred to other accounts.....	-128		
43.00	Appropriation (adjusted).....	30,516	30,945	33,081
46.40	Transfer in for retirement contributions (P.L. 99-335).....		490	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	32,316	38,504	33,081
72.10	Receivables in excess of obligations, start of year.....		-7,646	-7,646
72.40	Obligated balance, start of year.....	6,411		
74.10	Receivables in excess of obligations, end of year.....	7,646	7,646	7,646
77.00	Adjustments in expired accounts.....	-1,145		
89.00	Outlays.....	45,228	38,504	33,081
Outlays:				
90.00	Outlays, excluding retirement contribution supplemental.....	45,228	38,014	33,081
91.40	Outlays from retirement contribution supplemental.....		490	

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

Enacted/requested:	1986 actual	1987 est.	1988 est.
Budget authority.....	30,516	31,435	33,081
Outlays.....	45,228	38,504	33,081
Proposed for later transmittal under proposed legislation:			
Budget authority.....			-33,081
Outlays.....			-33,081
Total:			
Budget authority.....	30,516	31,435	
Outlays.....	45,228	38,504	

AMS activities assist producers and handlers of agricultural commodities by providing a variety of marketing services. These services continue to become more complex as the volume of agricultural commodities increases, as a greater number of new processed commodities are developed, and as the agricultural market structure undergoes extensive changes. Marketing changes include increased concentration in food retailing, direct buying, decentralization of processing, growth of interregional competition, vertical integration, and contract farming. The individual activities include:

Market news service.—The market news program provides the agricultural community with information pertaining to the movement of agricultural products. This nationwide service provides daily reports on the supply, demand and price of over 400 commodities throughout the country.

Inspection and standardization.—Nationally uniform standards of quality for agricultural products are established and applied to specific lots of products to: promote confidence between buyers and sellers; reduce hazards in marketing due to misunderstandings and disputes arising from the use of nonstandard descriptions; encourage better preparation of uniform quality products for market; and furnish consumers with more definite information on the quality of products they buy. Grading services are provided for cotton and domestic and imported tobacco.

Continuous in-plant inspection of all plants manufacturing liquid, frozen or dried egg products is provided with quarterly inspection of egg handlers and hatcheries to ensure the proper disposition of shell eggs unfit for human consumption. Imported egg products are controlled to make certain that the inspection systems in exporting countries have standards equal to those of the United States.

A uniform government food specification system is maintained to provide a more efficient Federal food procurement service.

COTTON, TOBACCO, AND WAREHOUSE USER FEE PROGRAM

	1986 actual	1987 est.	1988 est.
Cotton classed (samples in thousands).....	12,642	9,324	10,664
Tobacco auction markets (million pounds).....	1,421	1,440	1,460
Tobacco inspected at markets and ports of entry (million pounds).....	187	187	187

FEDERALLY FUNDED INSPECTION AND PROCUREMENT ACTIVITIES

	1986 actual	1987 est.	1988 est.
Federally inspected establishments: Egg products plants.....	99	99	99
Federally inspected production (billion pounds): Egg products.....	1.4	1.4	1.4
States and Commonwealths with cooperative agreements: Egg products inspection.....	52	52	52
Laboratory services (samples analyzed):			
Food chemistry and microbiology.....	37,000	37,000	37,000
Chemical residues.....	575	575	575

General and special funds—Continued

MARKETING SERVICES—Continued

STANDARDIZATION ACTIVITIES

	1986 actual	1987 est.	1988 est.
International and U.S. standards in effect, end of fiscal year	589	590	589
Number of commodities covered	181	183	184
Standards revised	16	54	10

Market protection and promotion.—This program consists of: (1) the research and promotion programs which are designed to improve the competitive position and expand markets for cotton, eggs, and egg products, honey, pork, beef, milk and dairy products, wool, mohair, and potatoes; (2) the Federal Seed Act, Plant Variety Protection Act, and the Export Fruit Acts; and (3) the administration of the Capper-Volstead Act and the Agricultural Fair Practices Act.

Amendments to the 1985 Food Security Act provided legislative authority for the beef, pork, and watermelon research and promotion programs. Assessments on producers to fund the beef and pork programs began in 1986. Hearings on the watermelon program will be held in 1987.

Federal seed inspectors conduct tests on samples to help assure truthful labeling of agricultural and vegetable seeds sold in interstate commerce. Plant variety protection provides for the issuance of certificates to assure that developers of novel varieties of sexually reproduced plants have exclusive rights to sell, reproduce, import and export such varieties for a period of 18 years.

The Export Fruit Acts promote U.S. foreign trade of various fruits by protecting the reputation of U.S. grown fruit in foreign markets and by preventing deception as to the quality of such products moving in foreign commerce.

The Capper-Volstead Act and the Agricultural Fair Practices Act protect producers against discriminatory practices by handlers, permit producers to engage in cooperative efforts, and assure that such cooperatives do not engage in practices that monopolize or restrain trade.

MARKET PROTECTION AND PROMOTION ACTIVITIES

Seed Act:			
Interstate investigations:	1986 actual	1987 est.	1988 est.
Completed	742	800	800
Pending	378	300	300
Seed samples tested	3,374	3,300	3,300
Plant Variety Protection Act:			
Number of applications received	164	185	199
Certificates of protection issued	208	200	200
Research and promotion collections (dollars in millions):			
Beef		33.0	36.0
Cotton	33.3	25.3	27.5
Dairy—MMO	14.3	13.8	14.2
Dairy—National	81.7	77.3	79.0
Honey		2.0	2.0
Pork		16.0	20.0
Egg	7.6	7.6	7.6
Wool	5.0	5.0	5.0
Wheat and wheat foods	1.5	.4	
Potato	5.6	5.6	5.8

Wholesale market development.—This program is designed to enhance the marketing of agricultural commodities in the United States by conducting research into more efficient marketing methods for agricultural commodities and by providing technical assistance to

urban areas interested in improving their food distribution facilities.

WHOLESALE MARKET DEVELOPMENT ACTIVITIES

	1986 actual	1987 est.	1988 est.
Studies and projects completed	8	10	8

For 1988, legislation will be proposed to finance the agency programs on a user fee basis.

Object Classification (in thousands of dollars)

Identification code	12-2500-0-1-352	1986 actual	1987 est.	1988 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	17,574	18,672	18,990
11.3	Other than full-time permanent	602	551	567
11.5	Other personnel compensation	224	198	204
11.9	Total personnel compensation	18,400	19,421	19,761
12.1	Personnel benefits: Civilian	2,362	2,997	4,492
13.0	Benefits for former personnel	67	72	72
21.0	Travel and transportation of persons	1,131	1,348	1,276
22.0	Transportation of things	178	169	160
23.2	Rental payments to others	237	252	239
23.3	Communications, utilities, and miscellaneous charges	1,704	1,717	1,725
24.0	Printing and reproduction	194	183	173
25.0	Other services	4,264	4,206	4,170
26.0	Supplies and materials	566	543	514
31.0	Equipment	904	527	499
43.0	Interest and dividends	2		
99.0	Subtotal, direct obligations	30,009	31,435	33,081
99.0	Reimbursable obligations	33,385	37,730	32,525
99.9	Total obligations	63,394	69,165	65,606

Personnel Summary

Direct:				
Total number of full-time permanent positions				
	627	651	651	
Total compensable workyears:				
Full-time equivalent employment				
	656	681	681	
Full-time equivalent of overtime and holiday hours				
	4	4	4	
Reimbursable:				
Total number of full-time permanent positions				
	190	198	198	
Total compensable workyears:				
Full-time equivalent employment				
	627	651	651	
Full-time equivalent of overtime and holiday hours				
	40	41	41	

MARKETING SERVICES

(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identification code	12-2500-2-1-352	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations			
Financing:				
14.00	Offsetting collections from: Non-Federal sources			—33,081
40.00	Budget authority (appropriation)			—33,081
Relation of obligations to outlays:				
71.00	Obligations incurred, net			—33,081
90.00	Outlays			—33,081

Legislation will be proposed to finance these activities on a user fee basis.

[PAYMENTS TO STATES AND POSSESSIONS]

[For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), \$942,000.] (*Agriculture, Rural Development, and Related*

Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a.)

Program and Financing (in thousands of dollars)

Identification code	12-2501-0-1-352	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 41.0)	942	942	.....
Financing:				
40.00	Budget authority (appropriation)	942	942	.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net	942	942	.....
72.40	Obligated balance, start of year	844	749	.....
74.40	Obligated balance, end of year	-749	.....	.....
77.00	Adjustments in expired accounts	-103	.....	.....
90.00	Outlays	934	1,691	.....

Grants are made on a matching fund basis to State departments of agriculture to carry out specifically approved programs designed to enhance marketing efficiency. Under this activity, specialists have worked with farmers, marketing firms, and other agencies in solving marketing problems and in using research results. Since State agencies are now able to carry on these activities by themselves, no program is being proposed in 1988.

PERISHABLE AGRICULTURAL COMMODITIES ACT FUND

Program and Financing (in thousands of dollars)

Identification code	12-5070-0-2-352	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations	3,460	4,014	4,240
Financing:				
21.40	Unobligated balance available, start of year	-736	-563	-563
24.40	Unobligated balance available, end of year	563	563	563
60.00	Budget authority (appropriation) (permanent, indefinite, special fund)	3,288	4,014	4,240
Relation of obligations to outlays:				
71.00	Obligations incurred, net	3,460	4,014	4,240
72.10	Receivables in excess of obligations, start of year .....	.....	-8	-8
72.40	Obligated balance, start of year	242	.....	.....
74.10	Receivables in excess of obligations, end of year	8	8	8
90.00	Outlays	3,710	4,014	4,240

License fees are deposited in this special fund and are used to meet the costs of administering the Perishable Agricultural Commodities and the Produce Agency Acts (7 U.S.C. 491-497, 499a-499s). The current annual license fee is set at \$216 plus \$108 for each additional business facility operated by the applicant in excess of nine facilities, up to a maximum of \$1,800.

The Acts are intended to assure equitable treatment to farmers and others in the marketing of fresh and frozen fruits and vegetables. Commission merchants, dealers, and brokers handling these products in interstate and foreign commerce are licensed. Complaints of violations are investigated and violations dealt with by (a) informal agreements between the two parties, (b) formal decisions involving payment of reparation awards, and/or (c) suspension or revocation of license and/or publication of the facts.

A 1984 amendment to the Perishable Agricultural Commodities Act requires traders to have trust assets on hand to meet their obligations to fruit and vegetable

suppliers. To preserve their trust and establish their rights ahead of other creditors, unpaid suppliers file notice with both the Department and their debtors that payment is due.

Object Classification (in thousands of dollars)

Identification code	12-5070-0-2-352	1986 actual	1987 est.	1988 est.
Personnel compensation:				
11.1	Full-time permanent	2,177	2,523	2,542
11.3	Other than full-time permanent	29	20	20
11.5	Other personnel compensation	57	55	56
11.9	Total personnel compensation	2,263	2,598	2,618
12.1	Personnel benefits: Civilian	319	421	558
13.0	Benefits for former personnel	13	15	15
21.0	Travel and transportation of persons	204	230	267
22.0	Transportation of things	16	25	25
23.1	Rental payments to GSA	151	165	172
23.2	Rental payments to others	35	39	41
23.3	Communications, utilities, and miscellaneous charges	136	152	159
24.0	Printing and reproduction	38	41	42
25.0	Other services	233	258	267
26.0	Supplies and materials	33	42	47
31.0	Equipment	18	28	29
99.9	Total obligations	3,460	4,014	4,240

Personnel Summary

Total number of full-time permanent positions	95	99	99
Total compensable workyears:			
Full-time equivalent employment	93	97	97
Full-time equivalent of overtime and holiday hours	2	2	2

**FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY
(SECTION 32)**

(INCLUDING TRANSFERS OF FUNDS)

Funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used only for commodity program expenses as authorized therein, and other related operating expenses, except for: (1) transfers to the Department of Commerce as authorized by the Fish and Wildlife Act of August 8, 1956; (2) transfers otherwise provided in this Act; and (3) not more than **[\$7,147,000] \$7,704,000** for formulation and administration of Marketing Agreements and Orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961. (*Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a.)*)

Program and Financing (in thousands of dollars)

Identification code	12-5209-0-2-605	1986 actual	1987 est.	1988 est.
Program by activities:				
Direct program:				
Commodity program payments:				
00.01	Child nutrition program purchases	344,350	350,900	350,900
00.02	Emergency surplus removal	44,122	7,300	.....
00.91	Subtotal	388,472	358,200	350,900
01.01	Administrative expenses	8,150	10,349	10,755
01.92	Total direct program	396,622	368,549	361,655
02.01	Reimbursable program	285	291	291
10.00	Total obligations	396,907	368,840	361,946
Financing:				
11.00	Offsetting collections from: Federal funds	-285	-291	-291
21.40	Unobligated balance available, start of year	-178,830	-158,931	-224,667
24.40	Unobligated balance available, end of year	158,931	224,667	225,000
39.00	Budget authority	376,723	434,285	361,988
Budget authority:				
60.00	Appropriation (permanent, indefinite, special fund)	3,692,022	3,787,648	3,788,000

General and special funds—Continued

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY
(SECTION 32)—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code	12-5209-0-2-605	1986 actual	1987 est.	1988 est.
61.00	Transferred to other accounts.....	—3,315,299	—3,353,363	—3,426,012
63.00	Appropriation (adjusted).....	376,723	434,285	361,988
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	396,622	368,549	361,655
72.10	Receivables in excess of obligations, start of year.....	—956		
72.40	Obligated balance, start of year.....		36,007	36,007
74.40	Obligated balance, end of year.....	—36,007	—36,007	—36,007
90.00	Outlays.....	359,658	368,549	361,655

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

Enacted/requested:	1986 actual	1987 est.	1988 est.
Budget authority.....	376,723	434,285	361,988
Outlays.....	359,658	368,549	361,655
Proposed for later transmittal under proposed legislation:			
Budget authority.....			
Outlays.....			—7,704
Total:			
Budget authority.....	376,723	434,285	361,988
Outlays.....	359,658	368,549	353,951

Under section 32 of the act of August 24, 1935, as amended (7 U.S.C. 612c), an amount equal to 30 percent of customs receipts collected during each calendar year is automatically appropriated for expanding outlets for nonbasic commodities. An amount equal to 30 percent of receipts collected on fishery products is transferred to the Department of Commerce. Most of the funds are transferred to the Food and Nutrition Service and are used to purchase commodities under section 6 of the National School Lunch Act and other authorities specified in the child nutrition appropriation. If unforeseen commodity surpluses should develop, unobligated reserve balances are available for surplus removal.

Object Classification (in thousands of dollars)

Identification code	12-5209-0-2-605	1986 actual	1987 est.	1988 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent.....	3,967	5,133	5,170
11.3	Other than full-time permanent.....	98	85	86
11.5	Other personnel compensation.....	97	21	21
11.9	Total personnel compensation.....	4,162	5,239	5,277
12.1	Personnel benefits: Civilian.....	510	730	995
13.0	Benefits for former personnel.....	8	8	8
21.0	Travel and transportation of persons.....	206	232	261
22.0	Transportation of things.....	65	73	73
22.0	Transportation of things: Commodities.....	19,560	18,036	17,668
23.1	Rental payments to GSA.....	298	426	437
23.2	Rental payments to others.....	15	34	34
23.3	Communications, utilities, and miscellaneous charges.....	316	432	448
24.0	Printing and reproduction.....	401	610	636
25.0	Other services.....	2,016	2,348	2,366
25.0	Other services: Commodities.....	753	694	680
26.0	Supplies and materials.....	55	86	87
26.0	Supplies and materials: Grants of commodities to States.....	368,159	339,470	332,552
31.0	Equipment.....	97	131	133
43.0	Interest and dividends.....	1		
99.0	Subtotal, direct obligations.....	396,622	368,549	361,655

99.0	Reimbursable obligations.....	285	291	291
99.9	Total obligations.....	396,907	368,840	361,946

Personnel Summary

Direct:				
Total number of full-time permanent positions.....	134	151	151	
Total compensable workyears:				
Full-time equivalent employment.....	124	147	147	
Full-time equivalent of overtime and holiday hours.....	2			
Reimbursable:				
Total compensable workyears: Full-time equivalent employment.....	6	6	6	

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY
(SECTION 32)

(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identification code	12-5209-2-2-605	1986 actual	1987 est.	1988 est.
Program by activities:				
01.01	Direct program: Administrative expenses.....			—7,704
02.01	Reimbursable program.....			—90
10.00	Total obligations.....			—7,794
Financing:				
11.00	Offsetting collections from: Federal funds.....			90
24.40	Unobligated balance available, end of year.....			7,704
39.00	Budget authority.....			
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....			—7,704
90.00	Outlays.....			—7,704

Legislation will be proposed to finance the Federal administration of Marketing Agreements and Orders on a user fee basis, with collections reflected in the Marketing Services account.

Object Classification (in thousands of dollars)

Identification code	12-5209-2-2-605	1986 actual	1987 est.	1988 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent.....			—4,411
11.3	Other than full-time permanent.....			—84
11.5	Other personnel compensation.....			—14
11.9	Total personnel compensation.....			—4,509
12.1	Personnel benefits: Civilian.....			—858
13.0	Benefits for former personnel.....			—6
21.0	Travel and transportation of persons.....			—245
22.0	Transportation of things.....			—73
23.1	Rental payments to GSA.....			—409
23.2	Rental payments to others.....			—14
23.3	Communications, utilities, and miscellaneous charges.....			—353
24.0	Printing and reproduction.....			—605
25.0	Other services.....			—488
26.0	Supplies and materials.....			—59
31.0	Equipment.....			—85
99.0	Subtotal, direct obligations.....			—7,704
99.0	Reimbursable obligations.....			—90
99.9	Total obligations.....			—7,794

Trust Funds

MISCELLANEOUS TRUST FUNDS

Program and Financing (in thousands of dollars)

Identification code 12-9972-0-7-352	1986 actual	1987 est.	1988 est.
Program by activities:			
Expenses and refunds, inspection and grading of farm products:			
00.01 Dairy products	9,131	12,002	11,422
00.02 Fruits and vegetables	31,978	37,000	34,155
00.03 Meat grading	20,790	21,155	20,258
00.04 Poultry products	18,253	19,798	18,326
00.05 Miscellaneous agricultural commodities	450	310	259
00.11 Price support assessments	417	1,616	1,559
10.00 Total obligations	81,019	91,881	85,979
Financing:			
21.40 Unobligated balance available, start of year	-8,039	-9,654	.....
24.40 Unobligated balance available, end of year	9,654	.....	.....
60.00 Budget authority (appropriation) (permanent, indefinite)	82,633	82,227	85,979
Relation of obligations to outlays:			
71.00 Obligations incurred, net	81,019	91,881	85,979
72.10 Receivables in excess of obligations, start of year	-6,018	-13,072	-13,072
74.10 Receivables in excess of obligations, end of year	13,072	13,072	13,072
90.00 Outlays	88,072	91,881	85,979

Expenses and refunds, inspection and grading of farm products.—The commodity inspection and grading programs provide grading, examination, and certification services for a wide variety of fresh and processed food commodities using federally approved grade standards and purchase specifications. Commodities graded include poultry, livestock, meat, dairy products, and fresh and processed fruits and vegetables. These programs use official grade standards which reflect the relative quality of a particular food commodity based on laboratory testing and characteristics such as taste, color, weight and physical condition. Producers voluntarily request grading and certification services which are provided on a fee for service basis.

	1986 actual	1987 est.	1988 est.
Cottonseed grade certificates issued (in thousands)	35	30	30
Livestock graded (million pounds)	209	184	184
Poultry products graded (includes rabbits—million pounds)	13,580	14,320	14,840
Shell eggs graded (million dozens)	1,758	1,725	1,690
Poultry accepted (million pounds)	686	820	860
Eggs accepted (million dozens)	452	440	430
Meat graded (million pounds)	13,071	13,000	13,000
Meat accepted (million pounds)	900	800	800
Processed fruits and vegetables inspected (million pounds)	14,893	14,900	14,900
Fresh fruits and vegetables inspected (million pounds)	69,000	71,500	72,300
Dairy products graded (million pounds)	4,730	4,208	4,208
Market reports issued (in thousands)	2,338	2,384	2,422

Object Classification (in thousands of dollars)

Identification code 12-9972-0-7-352	1986 actual	1987 est.	1988 est.
Personnel compensation:			
11.1 Full-time permanent	41,424	43,236	43,554
11.3 Other than full-time permanent	5,090	5,076	5,113
11.5 Other personnel compensation	6,317	6,701	6,750
11.9 Total personnel compensation	52,831	55,013	55,417
12.1 Personnel benefits: Civilian	6,990	7,977	10,072
13.0 Benefits for former personnel	619	643	663
21.0 Travel and transportation of persons	5,070	5,206	5,953
22.0 Transportation of things	296	269	273
23.1 Rental payments to GSA	1,233	1,317	1,341
23.2 Rental payments to others	289	314	355
23.3 Communications, utilities, and miscellaneous charges	1,532	1,740	1,789
24.0 Printing and reproduction	505	534	549
25.0 Other services	6,908	7,871	8,185
26.0 Supplies and materials	696	807	833

31.0 Equipment	373	536	549
33.0 Investments and loans	3,676	9,654	.....
99.9 Total obligations	81,019	91,881	85,979

Personnel Summary

Total number of full-time permanent positions	1,699	1,711	1,690
Total compensable workyears:			
Full-time equivalent employment	1,946	1,950	1,929
Full-time equivalent of overtime and holiday hours	167	183	183

MILK MARKET ORDERS ASSESSMENT FUND

Program and Financing (in thousands of dollars)

Identification code 12-8412-0-8-351	1986 actual	1987 est.	1988 est.
Program by activities:			
00.01 Administration	28,393	30,195	30,195
00.02 Marketing service	4,243	4,915	4,915
10.00 Total obligations	32,636	35,110	35,110
Financing:			
Offsetting collections from: Non-Federal sources:			
14.00 Administration	-24,849	-28,491	-28,491
14.00 Marketing service	-4,045	-4,844	-4,844
14.00 Interest	-1,775	-1,775	-1,775
21.98 Unobligated balance available, start of year: Fund balance	-24,032	-22,065	-22,065
24.98 Unobligated balance available, end of year: Fund balance	22,065	22,065	22,065
39.00 Budget authority .....	.....	.....	.....
Relation of obligations to outlays:			
71.00 Obligations incurred, net	1,967	.....	.....
72.10 Receivables in excess of obligations, start of year	-1,432	.....	-1,584
72.98 Obligated balance, start of year: Fund balance .....	.....	535	.....
74.10 Receivables in excess of obligations, end of year .....	.....	1,584	1,584
74.98 Obligated balance, end of year: Fund balance	-535	.....	.....
90.00 Outlays .....	.....	2,119	.....

Note.—The administration fund totals are comprised of 44 separate independent order accounts in 1986. The Marketing Service fund totals are comprised of 35 separate independent order accounts in 1986.

The Secretary of Agriculture is authorized by the Agricultural Marketing Agreement Act of 1937, as amended—under certain conditions—to issue Federal milk marketing orders establishing minimum prices which handlers are required to pay for milk purchased from producers.

Market administrators are appointed by the Secretary and are responsible for carrying out the terms of specific marketing orders. Their operating expenses, partly financed by assessments on regulated handlers and partly by deductions from producers, are reported in these schedules. These funds are collected locally, deposited in local banks, and disbursed directly by the market administrator.

The expenses of each local office are met from an administrative fund and a marketing service fund which are prescribed in each order. The administrative fund is derived from prorated handler assessments. The marketing service fund of the individual order provides for the expense of disseminating market information to producers who are not members of a qualified cooperative. It also provides for the verification of the weights, sampling, and testing of milk from these producers. The cost of these services is borne by such producers.

The maximum rates for administrative assessment and for marketing services are set forth in each order and adjustments below these rates are made from time

MILK MARKET ORDERS ASSESSMENT FUND—Continued

to time upon recommendations by the market administrator and upon approval of the Agricultural Marketing Service to provide reserves at about a 6-month operating level. Upon termination of any order, the statute provides for distributing the proceeds from net assets pro rata to contributing handlers or producers as the case may be.

As of October 1, 1986, as required by the Food Security Act of 1985 and the Food Security Improvements Act of 1986, the Agricultural Marketing Service, as agent for the Commodity Credit Corporation, collected over \$287 million by charging 52 cents per hundredweight on all milk produced in the forty-eight contiguous States and marketed by producers for commercial use. These funds were used to partially offset the costs of the Dairy Termination Program.

Milk sold by regulated handlers supplied almost 177 million persons in calendar year 1985.

Revenue and Expense (in thousands of dollars)

	1986 actual	1987 est.	1988 est.
Operating income or loss (—):			
Administrative fund:			
Revenue	24,849	28,491	28,491
Expense	28,393	30,195	30,195
Net operating income or loss (—), administrative fund..	—3,544	—1,704	—1,704
Marketing service fund:			
Revenue	4,045	4,844	4,844
Expense	4,243	4,915	4,915
Net operating income or loss (—), marketing service fund.....	—198	—71	—71
Net operating income or loss (—), total	—3,742	—1,775	—1,775
Nonoperating income:			
Interest revenue	1,775	1,775	1,775
Net loss for the year	—1,967		

Financial Condition (in thousands of dollars)

	1985 actual	1986 actual	1987 est.	1988 est.
Assets:				
Selected assets:				
Cash in banks	18,900	18,500	18,884	18,884
U.S. securities (par value)	3,700	4,100	1,597	1,597
Accounts receivable, net	4,132	1,867	3,986	3,986
Total assets	26,732	24,467	24,467	24,467
Liabilities:				
Selected liabilities:				
Accounts payable and accrued liabilities	2,700	2,402	2,402	2,402
Government equity:				
Selected equities:				
Unobligated balance (total Government equity)	24,032	22,065	22,065	22,065
Analysis of changes in Government equity:				
Retained income:				
Opening balance		24,032	22,065	22,065
Net income or loss (—)		—1,967		
Total Government equity (end of year)		22,065	22,065	22,065

Object Classification (in thousands of dollars)

Identification code 12-8412-0-8-351	1986 actual	1987 est.	1988 est.
Personnel compensation:			
11.1 Full-time permanent	22,189	23,447	23,447
11.3 Other than full-time permanent	130	136	136
11.5 Other personnel compensation	15	15	15
11.9 Total personnel compensation	22,334	23,598	23,598
12.1 Personnel benefits: Civilian	2,614	3,047	3,047
21.0 Travel and transportation of persons	2,082	2,175	2,175
23.2 Rental payments to others	1,732	2,032	2,032
23.3 Communications, utilities, and miscellaneous charges	1,517	1,781	1,781
25.0 Other services	236	261	261
26.0 Supplies and materials	847	885	885
31.0 Equipment	1,274	1,331	1,331
99.9 Total obligations	32,636	35,110	35,110

Personnel Summary ¹

Total number of full-time permanent positions	616	621	621
Total compensable workyears: Full-time equivalent employment	602	604	604

¹Excludes New York-New Jersey order operated under Federal and State orders.

OFFICE OF TRANSPORTATION

Federal Funds

General and special funds:

OFFICE OF TRANSPORTATION

For necessary expenses to carry on services related to agricultural transportation programs as authorized by law; including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$20,000 for employment under 5 U.S.C. 3109, [\$2,340,000] \$1,372,000: *Provided*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but, unless otherwise provided, the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building. (7 U.S.C. 1291, 1621-27; 49 U.S.C. 1653; *Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

Program and Financing (in thousands of dollars)

Identification code 12-2800-0-1-352	1986 actual	1987 est.	1988 est.
Program by activities:			
00.01 Direct program	2,260	2,419	1,372
01.01 Reimbursable program	11	20	
10.00 Total obligations	2,270	2,439	1,372
Financing:			
11.00 Offsetting collections from: Federal funds	—11	—20	
25.00 Unobligated balance lapsing	86		
39.00 Budget authority	2,346	2,419	1,372
Budget authority:			
40.00 Appropriation	2,346	2,340	1,372
Transfers in for:			
46.20 Civilian pay raises		45	
46.40 Retirement contributions (P.L. 99-335)		34	
Relation of obligations to outlays:			
71.00 Obligations incurred, net	2,260	2,419	1,372
72.40 Obligated balance, start of year	445	350	388
74.40 Obligated balance, end of year	—350	—388	—388
77.00 Adjustments in expired accounts	—122		
89.00 Outlays	2,233	2,381	1,372
Outlays:			
90.00 Outlays, excluding pay and retirement supplementals	2,233	2,303	1,371
91.20 Outlays from civilian pay raise supplemental		44	1
91.40 Outlays from retirement contribution supplemental		34	

The principal purpose of the Office of Transportation is to facilitate an efficient domestic and international transportation system for U.S. agricultural products. This is done by providing assistance to exporters and firms by helping to solve international transportation problems relating to agriculture; assisting agricultural shippers and carriers in the new deregulation environment; and providing technical assistance to producers, producer groups, and rural communities to help them solve specific transport problems. Because the process of deregulation of the transportation industry is virtually complete, this program is proposed for termination at the end of fiscal year 1988.

Object Classification (in thousands of dollars)

Identification code	12-2800-0-1-352	1986 actual	1987 est.	1988 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	1,635	1,791	876
11.3	Other than full-time permanent	6		
11.5	Other personnel compensation	22		
11.9	Total personnel compensation	1,663	1,791	876
12.1	Personnel benefits: Civilian	169	219	91
13.0	Benefits for former personnel			202
21.0	Travel and transportation of persons	46	42	15
23.3	Communications, utilities, and miscellaneous charges	69	79	59
24.0	Printing and reproduction	11	11	
25.0	Other services	254	241	124
26.0	Supplies and materials	30	23	5
31.0	Equipment	18	13	
99.0	Subtotal, direct obligations	2,260	2,419	1,372
99.0	Reimbursable obligations	11	20	
99.9	Total obligations	2,270	2,439	1,372

Personnel Summary

Total number of full-time permanent positions	49	49	
Total compensable workyears: Full-time equivalent employment	41	49	25

FOOD SAFETY AND INSPECTION SERVICE

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For necessary expenses to carry on services authorized by the Federal Meat Inspection Act, as amended, and the Poultry Products Inspection Act, as amended, **[\$361,400,000] \$397,130,000: Provided,** That this appropriation shall be available for field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$75,000 shall be available for employment under 5 U.S.C. 3109: **Provided further,** That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building. (7 U.S.C. 450, 1901-06; 10 U.S.C. 2306; 18 U.S.C. 1114; 21 U.S.C. 451-470, 601-624, 641-645, 661, 671-680, 691-692, 694-695; Public Law 99-641; Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)

Program and Financing (in thousands of dollars)

Identification code	12-3700-0-1-554	1986 actual	1987 est.	1988 est.
Program by activities:				
00.01	Direct program	355,728	373,969	397,130
01.01	Reimbursable program	41,465	42,000	43,000
10.00	Total obligations	397,193	415,969	440,130

Financing:

Offsetting collections from:				
11.00	Federal funds	-908	-950	-950
14.00	Non-Federal sources	-40,557	-41,050	-42,050
21.40	Unobligated balance available, start of year	-110		
25.00	Unobligated balance lapsing	293		
39.00	Budget authority	355,911	373,969	397,130
Budget authority:				
40.00	Appropriation	355,911	361,400	397,130
Transfers in for:				
46.20	Civilian pay raises		7,996	
46.40	Retirement contributions (P.L. 99-335)		4,573	
Relation of obligations to outlays:				
71.00	Obligations incurred, net	355,728	373,969	397,130
72.40	Obligated balance, start of year	23,907	33,670	34,577
74.40	Obligated balance, end of year	-33,670	-34,577	-33,670
77.00	Adjustments in expired accounts	1,569		
89.00	Outlays	347,534	373,062	398,037
Outlays:				
90.00	Outlays, excluding pay and retirement supplementals	347,534	361,400	397,130
91.20	Outlays from civilian pay raise supplemental		7,419	577
91.40	Outlays from retirement contribution supplemental		4,243	330

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

Enacted/requested:	1986 actual	1987 est.	1988 est.
Budget authority	355,911	373,969	397,130
Outlays	347,534	373,062	398,037
Proposed for later transmittal under proposed legislation:			
Budget authority			-397,130
Outlays			-398,037
Total:			
Budget authority	355,911	373,969	
Outlays	347,534	373,062	

The major objectives of the Food Safety and Inspection Service are to assure that meat and poultry products are wholesome, unadulterated, and properly labeled and packaged, as required by the Federal Meat Inspection Act and the Poultry Products Inspection Act.

The Meat and Poultry Inspection program of the Food Safety and Inspection Service provides continuous implant inspection of all domestic plants preparing meat or poultry products for sale or distribution; reviews foreign inspection systems and establishments that prepare meat or poultry products for export to the United States; and provides technical and financial assistance to States which maintain meat and poultry inspection programs.

Legislative changes which will permit collection of user fees to fund FSIS programs and provide for more efficient inspection are included in the 1988 FSIS budget proposal to allow recovery of full program costs.

FEDERALLY FUNDED INSPECTION ACTIVITIES

Federally inspected establishments:	1986 actual	1987 est.	1988 est.
Slaughter plants	433	430	430
Processing plants	5,051	5,070	5,090
Combination slaughter and processing plants	1,404	1,390	1,380
Import establishments	214	214	214
Federally inspected production (millions of pounds):			
Meat slaughter	37,042	36,300	36,300
Meat processing	67,000	60,800	60,800
Poultry slaughter	24,273	25,700	26,500
Poultry processing	56,951	61,500	64,000
Import/export activity (millions of pounds):			
Meat and poultry imported	2,437	2,506	2,577
Meat and poultry exported	1,900	2,000	2,100
Imports refused entry	15	15	16
States and territories with cooperative agreements:			
Intrastate inspection	27	27	27
Talmadge-Aiken inspection	21	21	21

General and special funds—Continued

SALARIES AND EXPENSES—Continued

FEDERALLY FUNDED INSPECTION ACTIVITIES—Continued

Number of slaughter and/or processing plants (excludes exempt plants)	3,708	3,700	3,700
Pounds inspected slaughter and processing (millions)	2,988	3,000	3,000
Compliance activities:			
Hazardous product detained (millions of pounds)	23	9	9
Compliance reviews	53,118	53,000	53,000
Detention actions	992	1,000	1,000
Laboratory services (samples analyzed):			
Food chemistry	77,101	80,000	80,000
Food microbiology	15,733	16,000	16,000
Chemical residues	37,204	40,000	40,000
Antibiotic residues	172,751	175,000	175,000
Pathology samples	11,723	8,400	8,400

Object Classification (in thousands of dollars)

Identification code	12-3700-0-1-554	1986 actual	1987 est.	1988 est.
Direct obligations:				
Personnel compensation:				
11.1 Full-time permanent		225,248	233,905	237,185
11.3 Other than full-time permanent		7,722	8,019	9,183
11.5 Other personnel compensation		6,940	7,207	7,607
11.9 Total personnel compensation		239,910	249,131	253,975
12.1 Personnel benefits: Civilian		36,647	43,997	55,506
13.0 Benefits for former personnel		1,390	1,411	1,415
21.0 Travel and transportation of persons		15,967	18,286	19,644
22.0 Transportation of things		965	1,110	1,149
23.3 Communications, utilities, and miscellaneous charges		6,521	6,865	7,307
24.0 Printing and reproduction		950	1,220	1,480
25.0 Other services		13,774	12,627	14,953
26.0 Supplies and materials		2,541	2,484	2,615
31.0 Equipment		3,188	1,394	2,218
41.0 Grants, subsidies, and contributions		33,857	35,425	36,846
42.0 Insurance claims and indemnities		18	19	22
99.0 Subtotal, direct obligations		355,728	373,969	397,130
99.0 Reimbursable obligations		41,465	42,000	43,000
99.9 Total obligations		397,193	415,969	440,130

Personnel Summary

Direct:			
Total number of full-time permanent positions	9,509	9,509	9,509
Total compensable workyears:			
Full-time equivalent employment	9,106	9,346	9,347
Full-time equivalent of overtime and holiday hours	74	80	80
Reimbursable:			
Total number of full-time permanent positions	167	167	167
Total compensable workyears:			
Full-time equivalent employment	164	169	169
Full-time equivalent of overtime and holiday hours	869	871	871

FOOD SAFETY AND INSPECTION SERVICE

SALARIES AND EXPENSES

(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identification code	12-3700-2-1-554	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00 Total obligations				— 440,130
Financing:				
Offsetting collections from:				
11.00 Federal funds				950
14.00 Non-Federal sources				42,050
40.00 Budget authority (appropriation)				— 397,130
Relation of obligations to outlays:				
71.00 Obligations incurred, net				— 397,130
74.40 Obligated balance, end of year				— 907
90.00 Outlays				— 398,037

These schedules reflect proposed legislation to finance this activity on a user fee basis.

Object Classification (in thousands of dollars)

Identification code	12-3700-2-1-554	1986 actual	1987 est.	1988 est.
Direct obligations:				
Personnel compensation:				
11.1 Full-time permanent				— 237,185
11.3 Other than full-time permanent				— 9,183
11.5 Other personnel compensation				— 7,607
11.9 Total personnel compensation				— 253,975
12.1 Personnel benefits: Civilian				— 55,506
13.0 Benefits for former personnel				— 1,415
21.0 Travel and transportation of persons				— 19,644
22.0 Transportation of things				— 1,149
23.3 Communications, utilities, and miscellaneous charges				— 7,307
24.0 Printing and reproduction				— 1,480
25.0 Other services				— 14,953
26.0 Supplies and materials				— 2,615
31.0 Equipment				— 2,218
41.0 Grants, subsidies, and contributions				— 36,846
42.0 Insurance claims and indemnities				— 22
99.0 Subtotal, direct obligations				— 397,130
99.9 Total obligations				— 440,130

Trust Funds

EXPENSES AND REFUNDS, INSPECTION AND GRADING OF FARM PRODUCTS

Program and Financing (in thousands of dollars)

Identification code	12-8137-0-7-352	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00 Total obligations		822	825	825
Financing:				
21.40 Unobligated balance available, start of year		— 125	— 198	— 198
24.40 Unobligated balance available, end of year		198	198	198
60.00 Budget authority (appropriation) (permanent, indefinite)		895	825	825
Relation of obligations to outlays:				
71.00 Obligations incurred, net		822	825	825
72.40 Obligated balance, start of year		76	96	96
74.40 Obligated balance, end of year		— 96	— 96	— 96
90.00 Outlays		802	825	825

Under authority of the Agricultural Marketing Act of 1946, Federal meat and poultry inspection services are provided upon request and for a fee in cases where inspection is not mandated by statute. This service includes: certifying products for export beyond the requirements of export certificates; inspecting certain animals and poultry intended for human food, where inspection is not required by statute, such as buffalo, rabbit, and quail; and inspecting products intended for animal consumption.

Object Classification (in thousands of dollars)

Identification code	12-8137-0-7-352	1986 actual	1987 est.	1988 est.
Personnel compensation:				
11.1 Full-time permanent		546	542	535
11.3 Other than full-time permanent		17	18	18
11.5 Other personnel compensation		117	122	125
11.9 Total personnel compensation		680	682	678
12.1 Personnel benefits: Civilian		85	89	91
13.0 Benefits for former personnel		3	3	3
21.0 Travel and transportation of persons		8	8	8

23.2	Rental payments to others	9	10	10
23.3	Communications, utilities, and miscellaneous charges	11	15	16
24.0	Printing and reproduction	2	2	2
25.0	Other services	22	14	15
26.0	Supplies and materials	1	1	1
31.0	Equipment	1	1	1
99.9	Total obligations	822	825	825

Personnel Summary

Total number of full-time permanent positions	24	24	24
Total compensable workyears:			
Full-time equivalent employment	22	27	27
Full-time equivalent of overtime and holiday hours	4	2	2

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriation as follows: Office of International Cooperation and Development, "Salaries and expenses."

FOOD AND NUTRITION SERVICE**Federal Funds****General and special funds:****FOOD PROGRAM ADMINISTRATION**

For necessary administrative expenses of the Domestic Food Programs funded under this Act, **[\$82,578,000] \$87,942,000**; of which \$5,000,000 shall be available only for simplifying procedures, reducing overhead costs, tightening regulations, improving food stamp coupon handling, and assistance in the prevention, identification, and prosecution of fraud and other violations of law: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$150,000 shall be available for employment under 5 U.S.C. 3109. (*Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

Program and Financing (in thousands of dollars)

Identification code	12-3508-0-1-605	1986 actual	1987 est.	1988 est.
Program by activities:				
Direct program:				
00.01	Child nutrition	25,377	27,426	28,444
00.02	Special milk	145	149	154
00.03	Supplemental nutrition assistance (WIC)	6,420	6,936	7,194
00.04	Food stamp	44,704	48,503	50,303
00.05	Food donations	1,648	1,780	1,847
00.91	Total direct program	78,294	84,794	87,942
01.01	Reimbursable program	302	200	200
10.00	Total obligations	78,596	84,994	88,142
Financing:				
11.00	Offsetting collections from: Federal funds	-302	-200	-200
25.00	Unobligated balance lapsing	187		
39.00	Budget authority	78,481	84,794	87,942
Budget authority:				
40.00	Appropriation	78,481	82,578	87,942
Transfers in for:				
46.20	Civilian pay raises		713	
46.40	Retirement contributions (P.L. 99-335)		1,503	
Relation of obligations to outlays:				
71.00	Obligations incurred, net	78,294	84,794	87,942
72.40	Obligated balance, start of year	7,257	6,646	7,105
74.40	Obligated balance, end of year	-6,646	-7,105	-7,342
77.00	Adjustments in expired accounts	-1,033		
89.00	Outlays	77,872	84,335	87,705
Outlays:				
90.00	Outlays, excluding pay and retirement supplementals	77,872	82,231	87,593

91.20	Outlays from civilian pay raise supplemental	677	36
91.40	Outlays from retirement contribution supplemental	1,427	76

Food program administration funds Federal operating expenses of the Food and Nutrition Service related to administration of child nutrition, special milk, supplemental nutrition assistance for women, infants, and children (WIC), food stamps, and cash and commodity subsidies for selected groups.

Object Classification (in thousands of dollars)

Identification code	12-3508-0-1-605	1986 actual	1987 est.	1988 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	58,141	56,519	57,671
11.3	Other than full-time permanent	1,296	1,260	1,286
11.5	Other personnel compensation	275	267	275
11.9	Total personnel compensation	59,712	58,046	59,232
12.1	Personnel benefits: Civilian	7,221	8,319	12,294
13.0	Benefits for former personnel	81	50	46
21.0	Travel and transportation of persons	2,264	3,255	3,255
22.0	Transportation of things	62	55	57
23.2	Rental payments to others	258	417	436
23.3	Communications, utilities, and miscellaneous charges	4,165	4,851	5,027
24.0	Printing and reproduction	360	291	302
25.0	Other services	3,246	5,049	5,246
26.0	Supplies and materials	633	563	584
31.0	Equipment	291	3,898	1,463
42.0	Insurance claims and indemnities	1		
99.0	Subtotal, direct obligations	78,294	84,794	87,942
99.0	Reimbursable obligations	302	200	200
99.9	Total obligations	78,596	84,994	88,142

Personnel Summary

Total number of full-time permanent positions	2,078	2,028	1,997
Total compensable workyears:			
Full-time equivalent employment	1,980	1,950	1,886
Full-time equivalent of overtime and holiday hours	1		

FOOD STAMP PROGRAM

For necessary expenses to carry out the Food Stamp Act (7 U.S.C. 2011-2027, 2029), **[\$12,684,665,000] \$11,962,550,000**: *Provided*, That funds provided herein shall remain available through September 30, **[1987] 1988** in accordance with section 18(a) of the Food Stamp Act: *Provided further*, That up to 5 per centum of the foregoing amount may be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such times as may become necessary to carry out program operations: *Provided further*, That funds provided herein shall be expended in accordance with section 16 of the Food Stamp Act: *Provided further*, That this appropriation shall be subject to any work registration or workfare requirements as may be required by law: *Provided further*, That \$345,000,000 of the funds provided herein shall be available only to the extent necessary after the Secretary has employed the regulatory and administrative methods available to him under the law to curtail fraud, waste and abuse in the program: *Provided further*, **[That \$852,750,000 of the foregoing amount shall be available for Nutrition Assistance for Puerto Rico as authorized by 7 U.S.C. 2028] That to be eligible for payment from funds appropriated under this heading, States must submit final claims for State administrative costs, including anti-fraud activity, within 90 days after the close of the fiscal year. Exceptions to these claims submission requirements may be made at the discretion of the Secretary.** (*Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

General and special funds—Continued

FOOD STAMP PROGRAM—Continued

Program and Financing (in thousands of dollars)

Identification code	12-3505-0-1-605	1986 actual	1987 est.	1988 est.
Program by activities:				
00.01	Properly issued benefits	9,776,232	9,864,292	10,221,707
00.02	Estimated State overissuance	850,107	811,349	816,853
00.03	State administration	946,953	1,006,000	1,034,948
00.04	Other	79,233	111,647	122,042
00.91	Total direct program	11,652,525	11,793,288	12,195,550
01.01	Reimbursable program	500		
10.00	Total obligations	11,653,025	11,793,288	12,195,550
Financing:				
Offsetting collections from:				
11.00	Federal funds	-500		
14.00	Non-Federal sources			-233,000
25.00	Unobligated balance lapsing	109,791		
39.00	Budget authority	11,762,316	11,793,288	11,962,550
Budget authority:				
40.00	Appropriation	11,817,653	11,831,915	11,962,550
41.00	Transferred to other accounts	-55,337	-38,627	
43.00	Appropriation (adjusted)	11,762,316	11,793,288	11,962,550
Relation of obligations to outlays:				
71.00	Obligations incurred, net	11,652,525	11,793,288	11,962,550
72.40	Obligated balance, start of year	222,587	244,353	154,906
74.40	Obligated balance, end of year	-244,353	-154,906	-161,024
77.00	Adjustments in expired accounts	-11,320		
90.00	Outlays	11,619,439	11,882,735	11,956,432

Note.—Amounts for Nutrition Assistance for Puerto Rico for 1987 are shown under that title. Amounts for 1987 were appropriated under the title Food stamp program.

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

Enacted/requested:	1986 actual	1987 est.	1988 est.
Budget authority	11,762,316	11,793,288	11,962,550
Outlays	11,619,439	11,882,735	11,956,432
Proposed for later transmittal under proposed legislation:			
Budget authority			-278,000
Outlays			-277,368
Total:			
Budget authority	11,762,316	11,793,288	11,684,550
Outlays	11,619,439	11,882,735	11,679,064

The food stamp program increases the food purchasing power of eligible low income households. Participants purchase food at retail stores with food stamp coupons.

Object Classification (in thousands of dollars)

Identification code	12-3505-0-1-605	1986 actual	1987 est.	1988 est.
Direct obligations:				
11.1	Personnel compensation: Full-time permanent		384	
12.1	Personnel benefits: Civilian		45	
21.0	Travel and transportation of persons		71	
22.0	Transportation of things	2,366	5,111	5,290
24.0	Printing and reproduction	22,023	31,684	32,793
25.0	Other services	21,471	24,352	23,959
41.0	Grants, subsidies, and contributions	11,606,665	11,731,641	12,133,508
99.0	Subtotal, direct obligations	11,652,525	11,793,288	12,195,550
99.0	Reimbursable obligations	500		
99.9	Total obligations	11,653,025	11,793,288	12,195,550

Personnel Summary

Total number of full-time permanent positions	15
Total compensable workyears: Full-time equivalent employment	15

FOOD STAMP PROGRAM

(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identification code	12-3505-2-1-605	1986 actual	1987 est.	1988 est.
Program by activities:				
00.01	Properly issued benefits			-3,708
00.02	Estimated State overissuance			-11,292
00.03	State administration			-263,000
10.00	Total obligations (object class 41.0)			-278,000
Financing:				
40.00	Budget authority (appropriation)			-278,000
Relation of obligations to outlays:				
71.00	Obligations incurred, net			-278,000
74.40	Obligated balance, end of year			632
90.00	Outlays			-277,368

Legislation will be proposed to authorize prospective withholding of liabilities incurred by States that issue an excessive amount of benefits erroneously to contain State administrative costs, and to revise the treatment of recipient income from certain sources.

NUTRITION ASSISTANCE FOR PUERTO RICO

For monthly payments to the Commonwealth of Puerto Rico for nutrition assistance, as authorized by 7 U.S.C. 2028, \$825,000,000: Provided, That \$825,000,000 shall be the maximum amount available.

Program and Financing (in thousands of dollars)

Identification code	12-3550-0-1-605	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 41.0)	820,050	852,750	825,000
Financing:				
40.00	Budget authority (appropriation)	820,050	852,750	825,000
Relation of obligations to outlays:				
71.00	Obligations incurred, net	820,050	852,750	825,000
72.40	Obligated balance, start of year	22,047	18,401	22,598
74.40	Obligated balance, end of year	-18,401	-22,598	-21,863
90.00	Outlays	823,696	848,553	825,736

Note.—Amounts for 1987 were appropriated under the title Food stamp program.

As a result of the Omnibus Budget Reconciliation Act of 1981, a grant for nutrition assistance was instituted in Puerto Rico. This grant replaced the food stamp program in Puerto Rico, and gave the Commonwealth broad flexibility to establish a food assistance program specifically tailored to the needs of its low-income households.

SPECIAL MILK PROGRAM*

*See Part II for additional information.

For necessary expenses, to carry out the special milk program, as authorized by section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1772), [\$14,869,000] \$33,974,000, to remain available through September 30, [1988: Provided, That only] 1989. Only final reimbursement claims for milk submitted to State agencies within sixty days following the month for which the reimbursement is claimed shall be eligible for reimbursement from funds appropriated under this Act. States may receive program funds appropriated under this Act only if the final program operations report for such month is submitted to the Department within ninety days following that month. Exceptions to these claims or reports submission requirements may be made at the discretion of the Secretary. (Agriculture, Rural Development, and

Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, Section 101(a).

Program and Financing (in thousands of dollars)

Identification code	12-3502-0-1-605	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 41.0).....	16,461	16,383	33,974
Financing:				
21.40	Unobligated balance, available, start of year.....	-6,475	-1,514	.....
24.40	Unobligated balance available, end of year.....	1,514	.....	.....
40.00	Budget authority (appropriation).....	11,500	14,869	33,974
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	16,461	16,383	33,974
72.40	Obligated balance, start of year.....	3,991	4,896	.....
74.40	Obligated balance, end of year.....	-4,896	.....	-5,198
77.00	Adjustments in expired accounts.....	-289	.....	.....
90.00	Outlays.....	15,267	21,279	28,776

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1986 actual	1987 est.	1988 est.
Enacted/requested:			
Budget authority.....	11,500	14,869	33,974
Outlays.....	15,267	21,279	28,776
Proposed for later transmittal under proposed legislation:			
Budget authority.....	.....	.....	-33,974
Outlays.....	.....	-2,204	-29,646
Supplemental under existing legislation:			
Budget authority.....	.....	3,426	.....
Outlays.....	.....	395	3,031
Total:			
Budget authority.....	11,500	18,295	.....
Outlays.....	15,267	19,470	2,161

The program subsidizes schools and institutions that do not participate in other federally funded meal programs for milk served to students, and also subsidizes milk served to students in split session kindergartens who do not have access to the school's meal service program.

SPECIAL MILK PROGRAM

(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identification code	12-3502-2-1-605	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 41.0).....	-4,911	-31,806	.....
Financing:				
21.40	Unobligated balance available, start of year.....	.....	.....	-4,911
24.40	Unobligated balance available, end of year.....	.....	4,911	.....
25.00	Unobligated balance lapsing.....	.....	.....	2,743
40.00	Budget authority (appropriation).....	.....	.....	-33,974
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	.....	-4,911	-31,806
72.40	Obligated balance, start of year.....	.....	.....	-2,707
74.40	Obligated balance, end of year.....	.....	2,707	4,867
90.00	Outlays.....	.....	-2,204	-29,646

Legislation will be proposed to discontinue subsidies to institutions for milk served to non-needy students.

CHILD NUTRITION PROGRAMS

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the National School Lunch Act (42 U.S.C. [1751-1761, 1766 and 1769b]) 1751-1769b, except 1766(i), and the applicable provisions other than sections 3 [and 17], 17, 18, and 19 of the Child Nutrition Act of 1966 (42 U.S.C. 1773-1785, and

1788-1789); [\$4,233,617,000,] \$4,475,226,000, to remain available through September 30, [1988] 1989, of which [\$937,680,000] \$1,106,614,000 is hereby appropriated and [\$3,295,937,000] \$3,368,612,000 shall be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c): *Provided*, That, [of funds provided herein, \$775,281,000 shall be available only to the extent an official budget request is transmitted to the Congress: *Provided further*, That] funds appropriated for the purpose of section 7 of the Child Nutrition Act of 1966 shall be allocated among the States but the distribution of such funds to an individual State is contingent upon that State's agreement to participate in studies and surveys of programs authorized under the National School Lunch Act and the Child Nutrition Act of 1966, when such studies and surveys have been directed by the Congress and requested by the Secretary of Agriculture: *Provided further*, That if the Secretary of Agriculture determines that a State's administration of any program under the National School Lunch Act or the Child Nutrition Act of 1966 (other than section 17), or the regulations issued pursuant to these Acts, is seriously deficient, and the State fails to correct the deficiency within a specified period of time, the Secretary may withhold from the State some or all of the funds allocated to the State under section 7 of the Child Nutrition Act of 1966 and under section 13(k)(1) of the National School Lunch Act; upon a subsequent determination by the Secretary that the programs are operated in an acceptable manner some or all of the funds withheld may be allocated: [Provided further, That if the funds available for nutrition education and training grants authorized under section 19 of the Child Nutrition Act of 1966, as amended, require a ratable reduction in those grants, the minimum grant for each State shall be \$50,000:] *Provided further*, That only final reimbursement claims for service of meals, supplements, and milk submitted to State agencies by eligible schools, summer camps, institutions, and service institutions within sixty days following the month for which the reimbursement is claimed shall be eligible for reimbursement from funds appropriated under this Act. States may receive program funds appropriated under this Act for meals, supplements, and milk served during any month only if the final program operations report for such month is submitted to the Department within ninety days following that month. Exceptions to these claims or reports submission requirements may be made at the discretion of the Secretary: *Provided further*, That funds available under this heading for State administrative expenses, together with funds previously obligated for such purpose which remain unobligated by the States at the beginning of fiscal year 1988, shall be deemed to meet the funding level pursuant to section 7 of the Child Nutrition Act of 1966. (Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)

Program and Financing (in thousands of dollars)

Identification code	12-3539-0-1-605	1986 actual	1987 est.	1988 est.
Program by activities:				
Cash payments to States:				
School lunch:				
00.01	Upper income.....	255,771	275,477	290,811
00.02	Lower income.....	237,272	255,575	275,215
00.03	Low income.....	2,187,993	2,357,133	2,494,423
School Breakfast:				
00.04	Upper income.....	6,665	9,348	9,846
00.05	Lower income.....	12,118	14,215	15,371
00.06	Low income.....	386,091	430,166	454,602
00.07	Child care feeding.....	475,818	537,174	602,096
00.08	Summer feeding.....	121,807	128,290	137,649
00.09	State administrative expenses.....	40,646	51,217	33,814
00.10	Commodity procurement.....	133,129	127,295	154,314
Nutrition studies and education:				
00.11	Nutrition studies and surveys.....	2,347	2,470	2,085
00.12	Nutrition education and training.....	5,000	5,000	5,000
10.00	Total obligations.....	3,864,657	4,193,360	4,475,226
Financing:				
21.40	Unobligated balance available, start of year.....	.....	-8,390	.....
24.40	Unobligated balance available, end of year.....	.....	8,390	.....
25.00	Unobligated balance lapsing.....	.....	.....	8,390
39.00	Budget authority.....	3,873,047	4,193,360	4,475,226

General and special funds—Continued

CHILD NUTRITION PROGRAMS—Continued
(INCLUDING TRANSFERS OF FUNDS)—Continued
Program and Financing (in thousands of dollars)—Continued

Identification code	12-3539-0-1-605	1986 actual	1987 est.	1988 est.
Budget authority:				
Current:				
40.00	Appropriation	601,455	897,423	1,106,614
Permanent:				
62.00	Transferred from other accounts	3,271,592	3,295,937	3,368,612
63.00	Appropriation (adjusted)	3,271,592	3,295,937	3,368,612
Relation of obligations to outlays:				
71.00	Obligations incurred, net	3,864,657	4,193,360	4,475,226
72.40	Obligated balance, start of year	380,817	424,892	419,336
74.40	Obligated balance, end of year	-424,892	-419,336	-447,523
77.00	Adjustments in expired accounts	-848		
90.00	Outlays	3,819,734	4,198,916	4,447,039

Note.—Of the \$775,281 thousand that is available with the transmittal of this budget, the 1987 appropriation shown above reflects a request of \$735,024 thousand.

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

Enacted/requested:	1986 actual	1987 est.	1988 est.
Budget authority	3,873,047	4,193,360	4,475,226
Outlays	3,819,734	4,198,916	4,447,039
Proposed for later transmittal under proposed legislation:			
Budget authority		-73,015	-826,014
Outlays		-65,714	-750,714
Total:			
Budget authority	3,873,047	4,120,345	3,649,212
Outlays	3,819,734	4,133,202	3,696,325

The child nutrition programs provide cash and commodity meal subsidies through the school lunch, school breakfast, summer food service and child care food programs. Federal funds are also made available for nutrition studies and State administrative expenses.

Object Classification (in thousands of dollars)

Identification code	12-3539-0-1-605	1986 actual	1987 est.	1988 est.
11.3	Personnel compensation: Other than full-time permanent	463	463	
12.1	Personnel benefits: Civilian	8	46	
21.0	Travel and transportation of persons	92	92	
23.3	Communications, utilities, and miscellaneous charges	43	43	
25.0	Other services	2,713	2,830	2,085
26.0	Supplies and materials (grants of commodities to States)	133,129	127,295	154,314
41.0	Grants, subsidies, and contributions	3,728,209	4,062,591	4,318,827
99.9	Total obligations	3,864,657	4,193,360	4,475,226

Personnel Summary

Total compensable workyears: Full-time equivalent employment	15	15	
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CHILD NUTRITION PROGRAMS

(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identification code	12-3539-2-1-605	1986 actual	1987 est.	1988 est.
Program by activities:				
Cash payments to States:				
School Lunch:				
00.01	Upper income		-35,812	-290,811
00.02	Lower income		-4,534	-32,783
00.03	Low income		-31,882	-212,799

School Breakfast:				
00.04	Upper income		-1,150	-9,846
00.05	Lower income			-612
00.06	Low income			-14,886
00.07	Child care feeding			-228,535
00.08	Summer feeding			-22,227
00.09	State administrative expenses			-18,100
00.10	Commodity procurement		363	9,585
00.12	Nutrition studies and education: Nutrition education and training			-5,000
10.00	Total obligations		-73,015	-826,014
Financing:				
40.00	Budget authority (appropriation)		-73,015	-826,014
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-73,015	-826,014
72.40	Obligated balance, start of year			-7,301
74.40	Obligated balance, end of year		7,301	82,601
90.00	Outlays		-65,714	-750,714

Proposed legislation will better target nutrition subsidies to needy students by discontinuing subsidies to institutions for meals served to upper income students. Legislation will also be proposed to lower State administrative expenses and correct inconsistencies among the programs reimbursement rates.

Object Classification (in thousands of dollars)

Identification code	12-3539-2-1-605	1986 actual	1987 est.	1988 est.
26.0	Supplies and materials (grants of commodities to States)		363	9,585
41.0	Grants, subsidies, and contributions		-73,378	-835,599
99.9	Total obligations		-73,015	-826,014

【FEEDING PROGRAM】 SUPPLEMENTAL NUTRITION ASSISTANCE FOR WOMEN, INFANTS, AND CHILDREN (WIC)

For necessary expenses to carry out the special supplemental food program as authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), [“\$1,663,497,000” \$1,687,541,000, to remain available through September 30, [1988:] 1989. [Provided, That none of the funds provided herein shall be used to issue interim or final regulations before May 1, 1987, to modify the formula used during fiscal year 1986 to divide funds among State agencies under section 17(i) of such Act to carry out such program, or to implement such regulations before October 1, 1987.] (Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)

Program and Financing (in thousands of dollars)

Identification code	12-3510-0-1-605	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations	1,580,306	1,663,551	1,687,541
Financing:				
21.40	Unobligated balance available, start of year		-372	-54
24.40	Unobligated balance available, end of year		54	
25.00	Unobligated balance lapsing		506	
40.00	Budget authority (appropriation)	1,580,494	1,663,497	1,687,541
Relation of obligations to outlays:				
71.00	Obligations incurred, net	1,580,306	1,663,551	1,687,541
72.40	Obligated balance, start of year		144,203	146,495
74.40	Obligated balance, end of year		-146,495	-108,131
77.00	Adjustments in expired accounts		-491	
90.00	Outlays	1,577,523	1,701,915	1,685,982

Supplemental nutrition assistance for women, infants and children (WIC) gives grants to States for the provision of nutritious foods to low-income pregnant, post-

partum and breastfeeding women, infants and children who are at nutritional risk.

Object Classification (in thousands of dollars)

Identification code	12-3510-0-1-605	1986 actual	1987 est.	1988 est.
25.0	Other services	2,336	2,000	2,100
26.0	Supplies and materials (grants of commodities to States)	116		
41.0	Grants, subsidies, and contributions	1,577,854	1,661,551	1,685,441
99.9	Total obligations	1,580,306	1,663,551	1,687,541

COMMODITY SUPPLEMENTAL FOOD PROGRAM

For necessary expenses to carry out the commodity supplemental food program as authorized by section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c (note)), [including not less than \$2,950,000 for the projects in Detroit, New Orleans, and Des Moines, \$41,497,000] *\$34,590,000. Provided, That funds provided herein shall remain available through September 30, [1988:] 1989. [Provided further, That none of these funds shall be available to reimburse the Commodity Credit Corporation for commodities donated to the program.] (Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, Section 101(a).)*

Program and Financing (in thousands of dollars)

Identification code	12-3512-0-1-605	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations	36,909	41,506	34,590
Financing:				
21.40	Unobligated balance available, start of year	-141	-9	
24.40	Unobligated balance available, end of year	9		
40.00	Budget authority (appropriation)	36,777	41,497	34,590
Relation of obligations to outlays:				
71.00	Obligations incurred, net	36,909	41,506	34,590
72.40	Obligated balance, start of year	888	1,803	1,785
74.40	Obligated balance, end of year	-1,803	-1,785	-1,487
90.00	Outlays	35,993	41,524	34,888

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

Enacted/requested:	1986 actual	1987 est.	1988 est.
Budget authority			
Outlays			
Proposed for later transmittal under proposed legislation:			
Budget authority			
Outlays			
Total:			
Budget authority			
Outlays			

The commodity supplemental food program provides commodity packages to low-income pregnant, postpartum and breastfeeding women, infants and children who are at nutritional risk and to low-income elderly.

Object Classification (in thousands of dollars)

Identification code	12-3512-0-1-605	1986 actual	1987 est.	1988 est.
26.0	Supplies and materials (grants of commodities to States)	29,209	33,111	27,064
41.0	Grants, subsidies and contributions	7,700	8,395	7,526
99.9	Total obligations	36,909	41,506	34,590

Program and Financing (in thousands of dollars)

Identification code	12-3512-2-1-605	1986 actual	1987 est.	1988 est.
Program by activities:				
00.01	Commodity procurement			1,554
00.02	Administrative costs			-1,554
10.00	Total obligations			
Financing:				
39.00	Budget authority			
Relation of obligations to outlays:				
71.00	Obligations incurred, net			
90.00	Outlays			

Proposed legislation would reduce the rate of administrative funds earned from 15 to 5 percent of the value of donated commodities. The additional funds will be made available for foods to support additional low-income participants.

Object Classification (in thousands of dollars)

Identification code	12-3512-2-1-605	1986 actual	1987 est.	1988 est.
26.0	Supplies and materials (grants of commodities to States)			1,554
41.0	Grants, subsidies, and contributions			-1,554
99.9	Total obligations			

[FOOD DONATIONS PROGRAMS] CASH AND COMMODITIES FOR
SELECTED GROUPS

For necessary expenses to carry out section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c (note)) [and], section 4(b) of the Food Stamp Act (7 U.S.C. 2013), and section 311 of the Older Americans Act of 1965, as amended (42 U.S.C. 303(a)), [193,589,000] *\$193,203,000. (Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)*

Program and Financing (in thousands of dollars)

Identification code	12-3503-0-1-605	1986 actual	1987 est.	1988 est.
Program by activities:				
Commodities and cash subsidies:				
00.01	Commodities in lieu of food stamps	39,114	40,676	37,088
00.02	Distributing agency administrative costs	14,881	15,756	15,803
00.03	Elderly feeding	139,583	137,157	140,312
10.00	Total obligations	193,578	193,589	193,203
Financing:				
25.00	Unobligated balance lapsing	11		
40.00	Budget authority (appropriation)	193,589	193,589	193,203
Relation of obligations to outlays:				
71.00	Obligations incurred, net	193,578	193,589	193,203
72.40	Obligated balance, start of year	25,591	37,635	19,786
74.40	Obligated balance, end of year	-37,635	-19,786	-21,171
77.00	Adjustments in expired accounts	1,837		
90.00	Outlays	183,371	211,438	191,818

Commodities and cash subsidies.—

Commodities in lieu of food stamps.—Nutritious commodities for needy persons on Indian reservations and the Island of Palau.

Distributing agency administrative costs.—Payments to assist distributing agencies in meeting the expenses of operating food distribution programs.

Elderly feeding.—Cash and commodity subsidies for meals served to the elderly, regardless of their in-

General and special funds—Continued

【FOOD DONATIONS PROGRAMS】 CASH AND COMMODITIES FOR SELECTED GROUPS—Continued

comes, under titles III and VI of the Older Americans Act of 1965.

Object Classification (in thousands of dollars)

Identification code	12-3503-0-1-605	1986 actual	1987 est.	1988 est.
26.0	Supplies and materials (grants of commodities to States)	44,190	48,476	45,688
41.0	Grants, subsidies, and contributions	149,388	145,113	147,515
99.9	Total obligations	193,578	193,589	193,203

HUMAN NUTRITION INFORMATION SERVICE

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For necessary expenses to enable the Human Nutrition Information Service to perform applied research and demonstrations relating to human nutrition and consumer use and economics of food utilization, 【\$6,876,000】 \$8,704,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225). (7 U.S.C. 3178a; *Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

Program and Financing (in thousands of dollars)

Identification code	12-3501-0-1-352	1986 actual	1987 est.	1988 est.
Program by activities:				
00.01	Direct program	12,457	6,985	8,704
01.01	Reimbursable program	75	75	.....
10.00	Total obligations	12,532	7,060	8,704
Financing:				
11.00	Offsetting collections from: Federal funds	-75	-75	.....
25.00	Unobligated balance lapsing	444	.....	.....
39.00	Budget authority	12,901	6,985	8,704
Budget authority:				
40.00	Appropriation	12,901	6,876	8,704
Transfers in for:				
46.20	Civilian pay raises .....	.....	34	.....
46.40	Retirement contributions (P.L. 99-335) .....	.....	75	.....
Relations of obligations to outlays:				
71.00	Obligations incurred, net	12,457	6,985	8,704
72.40	Obligated balance, start of year	5,076	9,337	9,341
74.40	Obligated balance, end of year	-9,337	-9,341	-9,337
77.00	Adjustments in expired accounts	-106	.....	.....
89.00	Outlays	8,090	6,981	8,708
Outlays:				
90.00	Outlays, excluding pay and retirement supplementals	8,090	6,876	8,704
91.20	Outlays from civilian pay raise supplemental .....	.....	32	2
91.40	Outlays from retirement contribution supplemental .....	.....	73	2

The Human Nutrition Information Service plans and conducts nutritional and dietary intake assessment surveys of the total U.S. population and selected groups; provides consultative assistance and sound guidance material to assist people in selecting adequate diets within different budget limitations; maintains and expands the Nutrient Data Bank and revises sections of *Agriculture Handbook No. 8, "Composition of Foods"*; responds to many different requests for guidance on practical food-related problems as well as on national and international food programs; and, conducts nutri-

tion education research and performs technical clearance of nutrition information for the Department.

Object Classification (in thousands of dollars)

Identification code	12-3501-0-1-352	1986 actual	1987 est.	1988 est.
Personnel compensation:				
11.1	Full-time permanent	2,298	2,446	2,524
11.3	Other than full-time permanent	349	422	436
11.9	Total personnel compensation	2,647	2,868	2,960
12.1	Personnel benefits: Civilian	301	333	569
21.0	Travel and transportation of persons	30	50	50
22.0	Transportation of things	3	4	4
23.3	Communications, utilities, and miscellaneous charges	90	200	200
24.0	Printing and reproduction	251	100	100
25.0	Other services	8,597	3,190	4,461
26.0	Supplies and materials	56	150	150
31.0	Equipment	482	90	210
99.0	Subtotal, direct obligations	12,457	6,985	8,704
99.0	Reimbursable obligations	75	75	.....
99.9	Total obligations	12,532	7,060	8,704

Personnel Summary

Total number of full-time permanent positions	74	83	83
Total compensable workyears: Full-time equivalent employment	87	95	95

PACKERS AND STOCKYARDS ADMINISTRATION

Federal Funds

General and special funds:

PACKERS AND STOCKYARDS ADMINISTRATION

For necessary expenses for administration of the Packers and Stockyards Act, as authorized by law, and for certifying procedures used to protect purchasers of farm products, including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$5,000 for employment under 5 U.S.C. 3109, 【\$8,945,000】 \$9,423,000. (7 U.S.C. 181-229; *Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

Program and Financing (in thousands of dollars)

Identification code	12-2600-0-1-352	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations	8,749	9,159	9,423
Financing:				
22.40	Unobligated balance transferred, net .....	.....	-214	.....
25.00	Unobligated balance lapsing	84	.....	.....
40.00	Budget authority (appropriation)	8,833	8,945	9,423
Relation of obligations to outlays:				
71.00	Obligations incurred, net	8,749	9,159	9,423
72.40	Obligated balance, start of year	932	1,052	1,052
74.40	Obligated balance, end of year	-1,052	-1,052	-1,052
77.00	Adjustments in expired accounts	78	.....	.....
90.00	Outlays	8,707	9,159	9,423

The goal of this program is to assure the integrity of the livestock, meat, and poultry markets and the marketplace in order to protect producers against unfair, deceptive, or discriminatory practices as well as those that are predatory or monopolistic in nature. Consumers and members of the livestock, poultry, and meat industries are also protected against unfair business practices in the marketing of meat and poultry, and from restrictions on competition which could unduly affect meat and poultry prices. The Agency also carries

out the Secretary's responsibilities under Section 1324 of the Food Security Act of 1985 covering "central filing systems" established by States for pre-notification of security interests against farm products.

Object Classification (in thousands of dollars)

Identification code	12-2600-0-1-352	1986 actual	1987 est.	1988 est.
Personnel compensation:				
11.1	Full-time permanent.....	5,829	6,210	6,319
11.3	Other than full-time permanent.....	9	10	10
11.9	Total personnel compensation.....	5,838	6,220	6,329
12.1	Personnel benefits: Civilian.....	934	876	1,212
13.0	Benefits for former personnel.....	14	5	5
21.0	Travel and transportation of persons.....	498	585	575
22.0	Transportation of things.....	106	64	60
23.2	Rental payments to others.....	114	125	130
23.3	Communications, utilities, and miscellaneous charges.....	333	336	340
24.0	Printing and reproduction.....	31	23	23
25.0	Other services.....	612	616	562
26.0	Supplies and materials.....	103	84	87
31.0	Equipment.....	166	225	100
99.9	Total obligations.....	8,749	9,159	9,423

Personnel Summary

Total number of full-time permanent positions.....	185	188	188
Total compensable workyears: Full-time equivalent employment.....	183	188	188

AGRICULTURAL COOPERATIVE SERVICE

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For necessary expenses to carry out the Cooperative Marketing Act of July 2, 1926 (7 U.S.C. 451-457), and for activities relating to the marketing aspects of cooperatives, including economic research and analysis and the application of economic research findings, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and for activities with institutions or organizations throughout the world concerning the development and operation of agricultural cooperatives (7 U.S.C. 3291), [\$4,469,000; of which \$99,000 shall be available for a field office in Hawaii] \$3,722,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$15,000 shall be available for employment under 5 U.S.C. 3109. (7 U.S.C. 451-457, 1621-1627, 2225, 3291; *Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

Program and Financing (in thousands of dollars)

Identification code	12-3000-0-1-352	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations.....	4,402	4,579	3,722
Financing:				
25.00	Unobligated balance lapsing.....	82		
39.00	Budget authority.....	4,484	4,579	3,722
Budget authority:				
40.00	Appropriation.....	4,484	4,469	3,722
Transfers in for:				
46.20	Civilian pay raises.....		64	
46.40	Retirement contributions (P.L. 99-335).....		46	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	4,402	4,579	3,722
72.40	Obligated balance, start of year.....	1,985	2,102	2,215
74.40	Obligated balance, end of year.....	-2,102	-2,215	-2,215
77.00	Adjustments in expired accounts.....	105		
89.00	Outlays.....	4,390	4,466	3,722

Outlays:				
90.00	Outlays, excluding pay and retirement supplementals	4,390	4,358	3,720
91.20	Outlays from civilian pay raise supplemental.....		63	1
91.40	Outlays from retirement contribution supplemental		45	1

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dollars]				
Enacted/requested	1986 actual	1987 est.	1988 est.	
Budget authority.....	4,484	4,579	3,722	
Outlays.....	4,390	4,466	3,722	
Proposed for later transmittal under proposed legislation:				
Budget authority.....			-3,722	
Outlays.....			-3,722	
Total				
Budget authority.....	4,484	4,579		
Outlays.....	4,390	4,466		

The Agricultural Cooperative Service performs research and provides technical assistance and advice to farmer cooperatives.

The agency's research program includes studies of economic, financial, organizational, managerial, legal, social, and policy related issues that affect cooperatives. Data on membership, business volume, and financial condition are collected to detect changes in the structure, operation, and growth trends of cooperatives.

Technical assistance is provided in response to requests from cooperative boards of directors or steering committees. Such assistance includes feasibility analyses, merger and other organizational studies, strategic assessment and planning, and review of operations.

Educational materials are prepared by ACS to promote the knowledge of cooperative principles and practices.

Object Classification (in thousands of dollars)

Identification code	12-3000-0-1-352	1986 actual	1987 est.	1988 est.
Personnel compensation:				
11.1	Full-time permanent.....	2,418	2,489	2,507
11.3	Other than full-time permanent.....	56	36	36
11.5	Other personnel compensation.....	25	37	37
11.9	Total personnel compensation.....	2,499	2,562	2,580
12.1	Personnel benefits: Civilian.....	281	330	455
21.0	Travel and transportation of persons.....	135	170	115
22.0	Transportation of things.....	1		
23.2	Rental payments to others.....	1	2	2
23.3	Communications, utilities, and miscellaneous charges.....	155	162	112
24.0	Printing and reproduction.....	97	133	
25.0	Other services.....	1,066	1,047	383
26.0	Supplies and materials.....	62	68	30
31.0	Equipment.....	106	105	45
99.9	Total obligations.....	4,402	4,579	3,722

Personnel Summary

Total number of full-time permanent positions.....	64	64	64
Total compensable workyears: Full-time equivalent employment.....	63	64	64

SALARIES AND EXPENSES

(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identification code	12-3000-2-1-352	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations.....			

General and special funds—Continued

SALARIES AND EXPENSES—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code	12-3000-2-1-352	1986 actual	1987 est.	1988 est.
Financing:				
14.00	Offsetting collections from: Non-Federal sources			—3,722
40.00	Budget authority (appropriation)			—3,722
Relation of obligations to outlays:				
71.00	Obligations incurred, net			—3,722
90.00	Outlays			—3,722

Legislation will be proposed to finance this program on a user charge basis.

FOREST SERVICE

Federal Funds

General and special funds:

NATIONAL FOREST SYSTEM

For necessary expenses of the Forest Service, not otherwise provided for, for management, protection, improvement, and utilization of the National Forest System, and for repayment of advances made in the preceding fiscal [year] years pursuant to 16 U.S.C. 556d for forest fire [protection] fighting and emergency rehabilitation of National Forest System lands, and [including] for administrative expenses associated with the management of funds provided under the heads "Forest Research", "State and Private Forestry", "National Forest System", "Construction", and "Land Acquisition", [\$1,158,294,000, of which \$263,323,000 for reforestation and timber stand improvement, cooperative law enforcement, firefighting, and maintenance of forest development roads and trails shall remain available for obligation until September 30, 1988.] \$1,016,417,000, to remain available until expended.

[The Forest Service is to continue to complete as expeditiously as possible development of land and resource management plans to meet the requirements of the National Forest Management Act of 1976 (NFMA). Notwithstanding the date in section 6(c) of the NFMA (16 U.S.C. 1600), the Forest Service may continue the management of units of the National Forest System under existing land and resource management plans pending the completion of plans developed in accordance with the Act. Nothing shall limit judicial review of particular activities on management units of the National Forest System: *Provided*, however, That there shall be no challenges to any existing plan on the sole basis that the plan in its entirety is outdated: *Provided further*, That any and all particular activities to be carried out under existing plans may nevertheless be challenged.] (7 U.S.C. 1010-12, 2201, 2250; 16 U.S.C. 472a-583i, 556d, 594, 670o(b), 1601-14; 30 U.S.C. 601-604; 611-614; 43 U.S.C. 1181h-j, 1241-43, 1901-08; Public Law 96-487; Public Law 98-478; Public Law 99-570; Department of the Interior and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(h).)

Program and Financing (in thousands of dollars)

Identification code	12-1106-0-1-302	1986 actual	1987 est.	1988 est.
Program by activities:				
Direct program:				
00.01	Land and resource protection	479,970	481,584	413,362
00.02	Renewable resource management and utilization	427,860	440,814	378,368
00.03	General administration	251,229	263,097	225,827
00.91	Total direct program	1,159,059	1,185,495	1,017,557
01.01	Reimbursable program	39,086	39,830	35,000
10.00	Total obligations	1,198,145	1,225,325	1,052,557
Financing:				
Offsetting collections from:				
11.00	Federal funds	—33,900	—34,545	—30,355
13.00	Trust funds	—5,185	—5,285	—4,645
17.00	Recovery of prior year obligations	—1,166		
21.40	Unobligated balance available, start of year	—4,746	—4,741	—5,035

22.40	Unobligated balance transferred, net	—14,798		
24.40	Unobligated balance available, end of year	4,741	5,035	3,895
25.00	Unobligated balance lapsing	11,035		
39.00	Budget authority	1,168,924	1,170,991	1,016,417
Budget authority:				
40.00	Appropriation	1,168,924	1,158,294	1,016,417
Transfers in for:				
46.20	Civilian pay raises		2,285	
46.40	Retirement contributions (P.L. 99-335)		10,412	
Relation of obligations to outlays:				
71.00	Obligations incurred, net	1,159,059	1,185,495	1,017,557
72.40	Obligated balance, start of year	131,518	144,291	146,139
74.40	Obligated balance, end of year	—144,291	—146,139	—142,127
78.00	Adjustments in unexpired accounts	—1,166		
89.00	Outlays	1,145,120	1,183,647	1,021,569
Outlays:				
90.00	Outlays, excluding pay and retirement supplementals	1,145,120	1,171,585	1,020,934
91.20	Outlays from civilian pay raise supplemental		2,171	114
91.40	Outlays from retirement contribution supplemental		9,891	521

The 156 National Forests, 19 National Grasslands, and 18 land utilization projects located in 44 States, Puerto Rico and the Virgin Islands are managed under multiple use and sustained yield principles. The natural resources of timber, minerals, range, wildlife, outdoor recreation, watershed, and soil are utilized in a planned combination that will best meet the needs of the Nation, without impairing productivity of the land or damaging the environment. These management and utilization principles are recognized in the Multiple-Use Sustained-Yield Act of June 12, 1960 (16 U.S.C. 528-531). Work programs and budget estimates reflect the increased demands for specific National Forest resource needs through 1987 and for long-term objectives for the year 2020. Increases are provided in the budget for further attainment of these program objectives.

Land and resource protection.—Provides for the protection and/or maintenance of National Forest System users, resources, lands and facilities, including roads and trails.

Renewable resource management and utilization.—Provides for the management and utilization of the timber, mineral, range, recreation, wildlife, watershed, and soil resources on National Forest System lands.

General administration.—This activity represents that share of the cost which contributes to the support of programs financed from National forest system, Construction, Forest research, State and private forestry, and Land acquisition appropriations.

For 1988, funding will be reduced because of eliminating resource improvement and investment activities not cost effective and reducing forest fire protection costs.

MAIN WORKLOAD FACTORS

Description:	1986 actual	1987 est.	1988 est.
Area administered and protected (million acres)	191	191	191
Timber sales prepared and offered (billion board-feet)	11.7	11.2	11.1
Timber volume harvested (billion board feet)	11.8	11.5	11.2
Reforestation (thousand acres) (appropriated)	149	140	85
Timber stand improvement (thousand acres) (appropriated)	243	186	134
Minerals management (operating plans)	26,635	22,952	23,407
Landline location (miles)	4,828	4,717	4,050
Fuel treatment including fuelbreaks (thousand acres)	321	286	275
Estimated number of visitor-days to national forests (millions) ¹	225.0	227.0	227.0
Wildlife habitat improvement (thousand acres)	114	74	65
Grazing use (millions AUM's permitted livestock)	10.1	10.1	10.0
Soil and water resource improvement (thousand acres)	8.1	6.7	4.4

Receipts (in thousands of dollars):

National forests fund:			
Timber sales	726,046	691,700	751,000
Timber sales betterment	151,460	189,000	190,000
Minerals	12,280	15,000	16,200
Grazing	7,484	7,500	7,500
Recreation admission and user fees	30,263	30,826	52,000
Other	4,215	5,200	5,550
National grasslands and land utilization:			
Grazing	1,131	900	900
Minerals	30,664	36,000	40,000
Other	592	525	565
Oregon and California grant lands	19,130	24,000	24,000
Total receipts	983,265	1,000,651	1,087,715

¹ Including wilderness areas.

Object Classification (In thousands of dollars)

Identification code 12-1106-0-1-302	1986 actual	1987 est.	1988 est.
FOREST SERVICE			
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	473,211	475,442	422,641
11.3 Other than full-time permanent	86,207	86,616	77,026
11.5 Other personnel compensation	45,891	46,084	40,977
11.8 Special personal services payments	7,707	7,775	6,925
11.9 Total personnel compensation	613,016	615,917	547,569
12.1 Personnel benefits: Civilian	92,823	93,262	82,913
13.0 Benefits for former personnel	10,799	10,850	9,645
21.0 Travel and transportation of persons	38,888	41,175	32,866
22.0 Transportation of things	11,578	12,259	9,785
23.1 Rental payments to GSA	16,762	15,330	17,934
23.2 Rental payments to others	15,568	16,484	13,158
23.3 Communications, utilities, and miscellaneous charges	43,844	46,423	37,056
24.0 Printing and reproduction	4,772	5,053	4,033
25.0 Other services	202,514	214,427	171,160
26.0 Supplies and materials	56,814	60,155	48,017
31.0 Equipment	42,732	45,245	36,115
32.0 Lands and structures	5,958	6,308	5,035
41.0 Grants, subsidies, and contributions	317	336	268
42.0 Insurance claims and indemnities	541	573	457
44.0 Refunds	55	58	46
99.0 Subtotal, direct obligations	1,156,981	1,183,855	1,016,057
99.0 Reimbursable obligations	39,086	39,830	35,000
ALLOCATION ACCOUNTS			
Personnel compensation:			
11.1 Full-time permanent	904	735	704
11.3 Other than full-time permanent	441	365	339
11.5 Other personnel compensation	5	5	5
11.9 Total personnel compensation	1,350	1,105	1,048
12.1 Personnel benefits: Civilian	144	120	114
21.0 Travel and transportation of persons	277	197	161
22.0 Transportation of things	108	77	63
23.2 Rental payments to others	5	4	3
23.3 Communications, utilities, and miscellaneous charges	4	3	2
25.0 Other services	118	82	67
26.0 Supplies and materials	53	38	31
31.0 Equipment	19	14	11
99.0 Subtotal obligations, allocation accounts	2,078	1,640	1,500
99.9 Total obligations	1,198,145	1,225,325	1,052,557
Obligations are distributed as follows:			
National Forest System, Agriculture	1,196,067	1,223,685	1,051,057
Bureau of Land Management, Interior	2,078	1,640	1,500

Personnel Summary

Direct:			
Total number of permanent positions	18,809	18,362	16,673
Total compensable workyears:			
Full-time equivalent employment	23,702	23,278	21,006
Full-time equivalent of overtime and holiday hours	2,307	2,266	2,045
Reimbursable:			
Total number of permanent positions	156	152	137

Total compensable workyears:

Full-time equivalent employment	233	228	206
Full-time equivalent of overtime and holiday hours	60	59	53

ALLOCATION ACCOUNTS

Total number of permanent positions	32	25	25
Total compensable workyears:			
Full-time equivalent employment	34	27	27
Full-time equivalent of overtime and holiday hours	1	1	1

CONSTRUCTION

For necessary expenses of the Forest Service, not otherwise provided for, for construction, **[\$261,436,000]** *\$221,543,000*, to remain available until expended, of which **[\$25,632,000]** *\$15,894,000* is for construction and acquisition of buildings and other facilities; and **[\$236,104,000]** *\$205,649,000* is for construction of forest roads and trails by the Forest Service as authorized by 16 U.S.C. 532-538 and 23 U.S.C. 101 and 205: *Provided*, That funds becoming available in fiscal year **[1987]** *1988* under the Act of March 4, 1913 (16 U.S.C. 501), shall be transferred to the General Fund of the Treasury of the United States: **[Provided further**, That the Forest Service shall achieve a 5 per centum reduction in the average cost per timber road mile as compared to the adjusted fiscal year 1985 average cost by a combination of the following two actions: (1) the application of road construction standards used to construct or reconstruct Forest Service timber roads, purchaser credit roads, or purchaser elect roads, and (2) reducing the direct personnel cost of designing and constructing timber roads to these standards: *Provided further*, That the Forest Service shall take administrative cost saving actions, including reductions in indirect personnel, overhead charges, and productivity improvements, in fiscal year 1987 in a manner so as to achieve a 5 per centum reduction in the average cost per timber road mile as compared to the adjusted fiscal year 1985 average cost: *Provided further*, That such actions shall be taken so as to achieve these 5 per centum reductions in each Forest Service region.] *Provided further*, That no more than *\$117,799,000*, to remain available without fiscal year limitation, shall be obligated for the construction of forest roads by timber purchasers.

[Pursuant to section (b)(2), the Act of December 23, 1980, Public Law 96-581 (94 Stat. 3372), not to exceed \$300,000 from the sale of 18.13 acres to the Flagstaff Medical Regional Center, Flagstaff, Arizona, are hereby appropriated and made available, until expended, to the Forest Service for the specific purpose of contract administration and overruns resulting from the construction of administrative improvements at the Mt. Elden Work Center, Flagstaff, Arizona: *Provided*, That the Secretary of Agriculture shall ensure that outlays associated with such action shall not cause the total outlays during fiscal year 1987 from Forest Service land acquisition and construction activities and construction activities in region 3 (including Arizona and New Mexico) to exceed the total that otherwise would have occurred as a result of enactment of this or previous appropriations Acts.]

[There is authorized to be appropriated out of the Highway Trust Fund (other than the Mass Transit Account), \$9,915,000 to be transferred to the Forest Service for road construction to serve the Mount St. Helens National Volcanic Monument, Washington: *Provided*, That the funds authorized by this section shall be available for obligation in the same manner and to the same extent as if such funds were apportioned under chapter 1 of title 23, United States Code, except the Federal share of the cost of this project shall be 100 per centum, and such funds shall remain available until expended: *Provided further*, That the foregoing shall not alter the amount of funds or contract authority that would otherwise be available for road construction to serve any State other than the State of Washington.] (7 U.S.C. 2250; 16 U.S.C. 501, 532-538, 555b, 571c, 1241-51, 1601, 1643; 42 U.S.C. 8259; Department of the Interior and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(h).)

Program and Financing (in thousands of dollars)

Identification code 12-1103-0-1-302	1986 actual	1987 est.	1988 est.
Program by activities:			
Direct program:			
00.01 Construction of facilities	26,825	33,695	16,243
00.02 Road and trail construction	184,113	233,210	210,197

General and special funds—Continued

CONSTRUCTION—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code	12-1103-0-1-302	1986 actual	1987 est.	1988 est.
00.03	Pollution abatement	160	202	165
00.04	Land acquisition	36	45	37
00.05	Mt. St. Helens timber salvage	5	3	2
00.06	Mt. Elden work center		300	
00.91	Total direct program	211,137	267,455	226,644
01.01	Reimbursable program	3,170	4,200	3,500
10.00	Total obligations	214,307	271,655	230,144
Financing:				
Offsetting collections from:				
11.00	Federal funds	-1,318	-1,765	-1,439
14.00	Non-Federal sources	-1,852	-2,435	-2,061
21.40	Unobligated balance available, start of year	-19,036	-22,553	-16,834
24.40	Unobligated balance available, end of year	22,553	16,834	11,733
40.00	Budget authority (appropriation)	214,654	261,736	221,543
Relation of obligations to outlays:				
71.00	Obligations incurred, net	211,137	267,455	226,644
72.40	Obligated balance, start of year	133,235	91,164	112,370
74.40	Obligated balance, end of year	-91,164	-112,370	-105,834
90.00	Outlays	253,208	246,249	233,180

Construction of facilities—

Recreation facilities.—Provides facilities necessary to safely meet recreation demand without sacrificing environmental values and without unduly impinging upon other resource uses of the National Forests.

Other facilities.—Provides for construction and acquisition of fire, administrative, and other improvements and related facilities necessary to carry out National Forest and State and private forestry programs. Includes fire lookouts, offices, dwellings and barracks for employee housing, service, and storage buildings, insectories, tree nursery buildings, dams, and other forest resource management projects. Efforts to make buildings more energy efficient (retrofit) will be continued.

Research construction.—Provides for construction, alteration, and improvement of research laboratories and related facilities, and for procurement and installation of necessary initial equipment needed to put the facility into operating condition. Efforts to make research facilities more energy efficient (retrofit) will be continued.

Mt. Elden Work Center.—Provides for contract administration and overruns resulting from the construction of administrative improvements at the Mt. Elden Work Center, Flagstaff, Arizona.

Road and trail construction—

Road and trail construction.—Roads and trails are essential to the protection and management of the National Forest System, as well as providing access to National Forest System areas for recreation and utilization of their resources. Of the revenues received annually from National Forest activities, 10 percent is being transferred to the General Fund with a comparable amount appropriated to the construction program for road and trail construction activities.

Timber purchaser construction.—Roads may be constructed and/or reconstructed by a timber purchaser who in turn receives credit against timber value as a reimbursement. These roads are those required

within a timber sale area specifically for the removal of the timber, but which will remain on the National Forest development road system for resource management purposes after the timber sale contract is completed. (16 U.S.C. 535, 1608.)

For 1988, construction will be reduced by eliminating all new facility construction and reducing road construction slightly.

Object Classification (in thousands of dollars)

Identification code	12-1103-0-1-302	1986 actual	1987 est.	1988 est.
FOREST SERVICE				
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	81,506	90,890	83,821
11.3	Other than full-time permanent	8,178	9,099	8,375
11.5	Other personnel compensation	1,210	1,346	1,263
11.8	Special personal services payments	68	88	75
11.9	Total personnel compensation	90,962	101,423	93,534
12.1	Personnel benefits: Civilian	12,779	14,249	13,141
13.0	Benefits for former personnel	984	1,097	1,012
21.0	Travel and transportation of persons	3,079	4,457	3,487
22.0	Transportation of things	1,202	1,740	1,361
23.1	Rental payments to GSA	2,970	2,745	3,204
23.2	Rental payments to others	2,304	3,335	2,609
23.3	Communications, utilities, and miscellaneous charges	3,711	5,371	4,202
24.0	Printing and reproduction	688	996	779
25.0	Other services	42,429	61,414	48,054
26.0	Supplies and materials	6,854	9,921	7,762
31.0	Equipment	7,017	10,157	7,947
32.0	Lands and structures	34,104	49,363	38,624
41.0	Grants, subsidies, and contributions	2	3	2
42.0	Insurance claims and indemnities	499	722	565
44.0	Refunds	319	462	361
99.0	Subtotal, direct obligations	209,903	267,455	226,644
99.0	Reimbursable obligations	3,170	4,200	3,500
ALLOCATION TO FEDERAL HIGHWAY ADMINISTRATION				
11.1	Personnel compensation: Full-time permanent	351		
12.1	Personnel benefits: Civilian	31		
21.0	Travel and transportation of persons	84		
22.0	Transportation of things	20		
23.3	Communications, utilities and miscellaneous charges	7		
24.0	Printing and reproduction	10		
25.0	Other services	330		
26.0	Supplies and materials	8		
31.0	Equipment	1		
32.0	Lands and structures	392		
99.0	Subtotal, obligations, Federal Highway Administration	1,234		
99.9	Total obligations	214,307	271,655	230,144

Personnel Summary

FOREST SERVICE				
Direct:				
Total number of full-time permanent positions	3,076	3,349	3,128	
Total compensable workyears:				
Full-time equivalent employment	3,447	3,778	3,505	
Full-time equivalent of overtime and holiday hours	39	42	39	
Reimbursable:				
Total number of full-time permanent positions	38	41	39	
Total compensable workyears:				
Full-time equivalent employment	53	57	53	
Full-time equivalent of overtime and holiday hours	2	2	2	
FEDERAL HIGHWAY ADMINISTRATION				
Total number of full-time permanent positions	10			
Total compensable workyears:				
Full-time equivalent employment	11			
Full-time equivalent of overtime and holiday hours	1			

FOREST RESEARCH

For necessary expenses of forest research as authorized by law, **[\$128,882,000] \$122,212,000.** [of which \$6,000,000 shall remain available until expended for competitive research grants, as authorized by section 5 of Public Law 95-307.] (16 U.S.C. 1601-10, 1641-47; Public Law 95-495; Department of the Interior and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(h).)

Program and Financing (in thousands of dollars)

Identification code	12-1104-0-1-302	1986 actual	1987 est.	1988 est.
Program by activities:				
Direct program:				
00.01	Fire and atmospheric sciences research.....	8,306	8,237	8,336
00.02	Forest insect and disease research.....	20,136	22,009	21,028
00.03	Forest inventory and analysis research.....	15,422	17,732	16,805
00.04	Renewable resources economics research.....	4,329	4,477	4,648
00.05	Timber management research.....	22,040	23,845	23,681
00.06	Watershed management and rehabilitation research.....	14,221	16,488	15,628
00.07	Wildlife, range and fish habitat research.....	9,292	11,759	11,459
00.08	Forest recreation research.....	2,017	2,427	2,427
00.09	Forest products and harvesting research.....	17,554	18,789	18,200
00.91	Total direct program.....	113,317	125,763	122,212
01.01	Reimbursable program.....	9,057	11,300	8,300
10.00	Total obligations.....	122,374	137,063	130,512
Financing:				
Offsetting collections from:				
11.00	Federal funds.....	-8,045	-10,035	-7,371
14.00	Non-Federal sources.....	-1,012	-1,265	-929
22.40	Unobligated balance transferred, net.....		-1,381	
25.00	Unobligated balance lapsing.....	304		
39.00	Budget authority.....	113,621	124,382	122,212
Budget authority:				
40.00	Appropriation.....	120,127	128,882	122,212
41.00	Transferred to other accounts.....	-6,506	-4,500	
43.00	Appropriation (adjusted).....	113,621	124,382	122,212
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	113,317	125,763	122,212
72.40	Obligated balance, start of year.....	21,348	22,198	24,340
74.40	Unobligated balance, end of year.....	-22,398	-24,340	-23,995
90.00	Outlays.....	112,468	123,621	122,557

Research is conducted and disseminated through eight regional forest experiment stations and the Forest Products Laboratory and includes both in-house and extramural programs.

Fire and atmospheric sciences research.—Research is conducted to develop improved methods to prevent and control wildfires; reduce loss of life, property, and forest resources; reduce wind and weather-related losses; and use fire to achieve forest and range objectives.

Forest insect and disease research.—Research is conducted to provide technology to optimize productivity, value, and land resource usefulness and to protect wood in use and in storage.

Forest inventory and analysis research.—Research is conducted to provide comprehensive, continuing information about forest land resources of the United States.

Renewable resources economics research.—Research is conducted to provide economic methodology and analyses for forest and rangeland activities and for related forest product distributed systems.

Timber management research.—Research is conducted to develop improved silvicultural alternatives and management guidelines to increase the productivity and

multiple-use benefits of forest lands, maximize tree growth and quality, and maintain land productivity.

Watershed management and rehabilitation research.—Research is conducted to provide and test methods for protecting, managing, and improving forest and rangeland watersheds and to rehabilitate lands disturbed by mining.

Wildlife, range, and fish habitat research.—Research is conducted to maintain or improve wildlife and fish habitat; increase forage production; improve soil stability and vegetation cover; and integrate wildlife, fish, and livestock with other uses.

Forest recreation research.—Research is conducted to provide land managers with the technology for increasing and improving outdoor recreation experiences; and to develop knowledge to manage urban vegetation to obtain optimum benefits.

Forest products and harvesting research.—Research is conducted to provide technology to harvest and utilize timber more efficiently and in ways that are environmentally acceptable, to improve the performance of wood products, and to expand opportunities for wood products exports.

For 1988, forest research will be reduced by focusing on basic research thus allowing the private sector to concentrate on developmental and applied research. Competitive research grants will be terminated.

Object Classification (in thousands of dollars)

Identification code	12-1104-0-1-302	1986 actual	1987 est.	1988 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent.....	61,862	66,328	61,995
11.3	Other than full-time permanent.....	6,389	6,851	6,405
11.5	Other personnel compensation.....	235	246	237
11.8	Special personal service payments.....	17	11	11
11.9	Total personnel compensation.....	68,503	73,436	68,648
12.1	Personnel benefits: Civilian.....	8,727	9,164	8,745
13.0	Benefits for former personnel.....	187	196	187
21.0	Travel and transportation of persons.....	2,878	3,770	3,578
22.0	Transportation of things.....	465	609	578
23.1	Rental payments to GSA.....	1,625	1,507	1,760
23.2	Rental payments to others.....	90	118	112
23.3	Communications, utilities, and miscellaneous charges.....	3,539	4,636	4,400
24.0	Printing and reproduction.....	637	834	792
25.0	Other services.....	10,846	14,209	13,488
26.0	Supplies and materials.....	2,823	3,698	3,510
31.0	Equipment.....	4,548	5,959	5,656
32.0	Lands and structures.....	147	193	182
41.0	Grants, subsidies, and contributions.....	8,252	7,370	10,516
42.0	Insurance claims and indemnities.....	8	10	9
44.0	Refunds.....	42	54	51
99.0	Subtotal, direct obligations.....	113,317	125,763	122,212
99.0	Reimbursable obligations.....	9,057	11,300	8,300
99.9	Total obligations.....	122,374	137,063	130,512

Personnel Summary

Direct:			
Total number of full-time permanent positions.....	1,995	2,037	1,985
Total compensable workyears:			
Full-time equivalent employment.....	2,288	2,350	2,276
Full-time equivalent of overtime and holiday hours.....	8	8	8
Reimbursable:			
Total number of full-time permanent positions.....	39	40	39
Total compensable workyears:			
Full-time equivalent employment.....	92	95	91
Full-time equivalent of overtime and holiday hours.....	2	2	2

General and special funds—Continued

STATE AND PRIVATE FORESTRY

For necessary expenses of cooperating with, and providing technical [and financial] assistance to States, Territories, possessions, and others; and for forest pest management activities, [\$58,946,000] \$35,434,000, to remain available until expended [, to carry out activities authorized in Public Law 95-313: *Provided, That*] as authorized by law, of which a grant of \$2,800,000 shall be made to the State of Minnesota for the purposes authorized by section 6 of Public Law 95-495. (16 U.S.C. 2101-2106, 2109-2111; Public Law 95-495; Department of the Interior and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(h).)

Program and Financing (in thousands of dollars)

Identification code 12-1105-0-1-302	1986 actual	1987 est.	1988 est.
Program by activities:			
Direct program:			
00.01 Forest pest management	27,487	30,552	28,408
00.02 Fire protection	12,221	13,488	4,778
00.03 Forest management and utilization	10,013	11,060	
00.04 Special projects	4,666	4,400	2,800
00.91 Total direct program	54,387	59,500	35,986
01.01 Reimbursable program	5,615	4,800	2,500
10.00 Total obligations	60,002	64,300	38,486
Financing:			
Offsetting collections from:			
11.00 Federal funds	-5,355	-4,580	-2,365
14.00 Non-Federal sources	-260	-220	-135
17.00 Recovery of prior year obligations	-228		
21.40 Unobligated balance available, start of year	-1,506	-2,295	-944
24.40 Unobligated balance available, end of year	2,295	944	392
25.00 Unobligated balance lapsing	373		
39.00 Budget authority	55,321	58,149	35,434
Budget authority:			
40.00 Appropriation	55,321	58,946	35,434
45.00 Transfers out for pay raises and retirement contributions		-797	
Relation of obligations to outlays:			
71.00 Obligations incurred, net	54,387	59,500	35,986
72.40 Obligated balance, start of year	19,521	20,023	21,044
74.40 Obligated balance, end of year	-20,023	-21,044	-17,405
78.00 Adjustments in unexpired accounts	-228		
90.00 Outlays	53,657	58,479	39,625

Cooperative forestry assistance is provided to all the States, Puerto Rico, Virgin Islands, Guam, the Northern Mariana Islands and the Trust Territory of the Pacific to promote protection and management of forest lands.

Forest pest management.—Protects forest resources and processed wood from insects and diseases directly on National Forests and other Federal lands and in cooperation with States on non-Federal lands.

Fire protection.—Helps State forestry organizations to achieve fire protection efficiency through activities of national interest on non-Federal wildlands.

Forest management and utilization.—Improves management of non-industrial private forest resources; increases wood utilization; increases seedling production and nursery capacity of State tree nurseries; expands State tree improvement programs; and provides management and planning assistance.

Special projects.—Assistance will be provided to Minnesota for forestry impacts of the Boundary Waters Canoe Area Wilderness.

For 1988, financial assistance to the States will be terminated and limited technical assistance will be pro-

vided. State forestry programs have matured sufficiently to justify reduced Federal assistance.

MAIN WORKLOAD FACTORS

	1986 actual	1987 est.	1988 est.
Forest land management plans (thousand acres)	3,821	3,600	
Woodland owners assisted (thousands assisted)	138	135	
Reforestation (thousand acres)	667	750	
Timber stand improvement (thousand acres)	282	270	

Object Classification (in thousands of dollars)

Identification code 12-1105-0-1-302	1986 actual	1987 est.	1988 est.
FOREST SERVICE			
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	10,475	11,018	9,272
11.3 Other than full-time permanent	1,573	1,652	1,446
11.5 Other personnel compensation	570	547	426
11.8 Special personal service payments	8	8	6
11.9 Total personnel compensation	12,626	13,225	11,150
12.1 Personnel benefits: Civilian	1,702	1,783	1,503
13.0 Benefits for former personnel	342	360	303
21.0 Travel and transportation of persons	532	569	846
22.0 Transportation of things	162	173	257
23.1 Rental payments to GSA	1,578	1,471	988
23.2 Rental payments to others	111	119	177
23.3 Communications, utilities, and miscellaneous charges	490	524	779
24.0 Printing and reproduction	144	154	229
25.0 Other services	7,223	7,938	11,798
26.0 Supplies and materials	1,793	1,917	2,849
31.0 Equipment	644	689	1,024
32.0 Lands and structures	541	578	859
41.0 Grants, subsidies, and contributions	25,435	29,000	2,300
42.0 Insurance claims and indemnities	6	6	9
44.0 Refunds	104	111	165
99.0 Subtotal, direct obligations	53,433	58,617	35,236
99.0 Reimbursable obligations	5,615	4,800	2,500
ALLOCATION TO THE DEPARTMENT OF THE INTERIOR			
Personnel compensation:			
11.1 Full-time permanent	373	381	244
11.3 Other than full-time permanent	220	225	160
11.5 Other personnel compensation	24	25	24
11.8 Special personal service payments	19	19	19
11.9 Total personnel compensation	636	650	447
12.1 Personnel benefits: Civilian	62	63	43
21.0 Travel and transportation of persons	27	18	28
22.0 Transportation of things	46	31	47
23.2 Rental payments to others	5	3	5
25.0 Other services	114	75	114
26.0 Supplies and materials	58	39	60
31.0 Equipment	6	4	6
99.0 Subtotal, obligations, Department of the Interior	954	883	750
99.9 Total obligations	60,002	64,300	38,486
Obligations are distributed as follows:			
State and Private Forestry, Agriculture	59,048	63,417	37,736
National Park Service, Interior	238	364	310
Bureau of Land Management, Interior	238	171	145
U.S. Fish and Wildlife Service, Interior	12	30	25
Bureau of Indian Affairs, Interior	466	318	270

Personnel Summary

Direct:			
Total number of full-time permanent positions	423	432	357
Total compensable workyears:			
Full-time equivalent employment	518	532	438
Full-time equivalent of overtime and holiday hours	47	48	40
Reimbursable:			
Total number of full-time permanent positions	14	14	12
Total compensable workyears:			
Full-time equivalent employment	14	14	12
Full-time equivalent of overtime and holiday hours	1	1	1

OTHER APPROPRIATIONS

Program and Financing (in thousands of dollars)

Identification code	12-9911-0-1-302	1986 actual	1987 est.	1988 est.
Program by activities:				
00.01	Acquisition of lands for Winema National Forest, OR.....	219		
00.02	Forest management, protection and utilization.....	660	64	
10.00	Total obligations (object class 32.0).....	879	64	
Financing:				
21.40	Unobligated balance available, start of year.....	-469	-64	
24.40	Unobligated balance available, end of year.....	64		
25.00	Unobligated balance restored.....	-474		
39.00	Budget authority.....			
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	879	64	
72.40	Obligated balance, start of year.....	479	433	
74.40	Obligated balance, end of year.....	-433		
90.00	Outlays.....	925	497	
Distribution of outlays by account:				
	Winema National Forest.....	219		
	Youth Conservation Corps.....			
	Forest management, protection and utilization.....	706	497	

Acquisition of lands for Winema National Forest, OR.—This special account is established for receipt of a donation to the Secretary of Agriculture for acquisition of lands or interests therein within the Winema National Forest.

OPERATION AND MAINTENANCE OF RECREATION FACILITIES

(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identification Code	12-5072-2-2-303	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations.....			50,000
Financing:				
24.40	Unobligated balance available, end of year.....			2,000
40.00	Budget authority (appropriation) (special fund).....			52,000
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....			50,000
74.40	Obligated balance, end of year.....			-5,280
90.00	Outlays.....			44,720

Outdoor recreation occurs throughout National Forest System lands. Legislation will be proposed to provide for the operation and maintenance of National Forest recreation areas and facilities from recreation receipts. Recreationists who enjoy National Forest System lands will receive direct benefit from the revenues collected. Land and Water Conservation Fund receipts will be used in 1988 to provide time for sufficient funds to accrue.

Object Classification (in thousands of dollars)

Identification code	12-5072-2-2-303	1986 actual	1987 est.	1988 est.
Personnel compensation:				
11.1	Full-time permanent.....			29,772
11.3	Other than full-time permanent.....			3,219
11.5	Other personnel compensation.....			504
11.9	Total personnel compensation.....			33,495
12.1	Personnel benefits: Civilian.....			4,671

13.0	Benefits for former personnel.....			693
21.0	Travel and transportation of persons.....			216
22.0	Transportation of things.....			85
23.2	Rental payments to others.....			128
23.3	Communications, utilities, and miscellaneous charges.....			206
24.0	Printing and reproduction.....			41
25.0	Other services.....			6,101
26.0	Supplies and materials.....			390
31.0	Equipment.....			246
32.0	Lands and structures.....			3,687
42.0	Insurance claims and indemnities.....			32
44.0	Refunds.....			9
99.9	Total obligations.....			50,000

Personnel Summary

Total number of full-time permanent positions.....	1,099
Total compensable workyears.....	
Full-time equivalent employment.....	1,235
Full-time equivalent of overtime and holiday hours.....	14

RANGE BETTERMENT FUND

For necessary expenses of range rehabilitation, protection, and improvement, 50 per centum of all moneys received during the prior fiscal year, as fees for grazing domestic livestock on lands in National Forests in the sixteen Western States, pursuant to section 401(b)(1) of Public Law 94-579, as amended, to remain available until expended [], of which not to exceed 6 percent shall be available for administrative expenses associated with on-the-ground range rehabilitation, protection, and improvements. (43 U.S.C. 1751, 1901-1908; Department of the Interior and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(h).)

Program and Financing (in thousands of dollars)

Identification code	12-5207-0-2-302	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations.....	3,670	4,140	3,750
Financing:				
17.00	Recovery of prior year obligations.....	-8		
21.40	Unobligated balance available, start of year.....	-523	-496	
24.40	Unobligated balance available, end of year.....	496		
40.00	Budget authority (appropriation) (indefinite).....	3,635	3,644	3,750
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	3,670	4,140	3,750
72.40	Obligated balance, start of year.....	1,018	993	1,491
74.40	Obligated balance, end of year.....	-993	-1,491	-1,512
78.00	Adjustments in unexpired accounts.....	-8		
90.00	Outlays.....	3,686	3,642	3,729

Fifty percent of the grazing fees from the National Forests in the 16 western States, once appropriated, are used to protect and improve the productivity of the range, mainly by revegetation, construction, and maintenance of improvements. Capital improvement funding is currently being collected under the authority of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1751), as amended.

Object Classification (in thousands of dollars)

Identification code	12-5207-0-2-302	1986 actual	1987 est.	1988 est.
Personnel compensation:				
11.1	Full-time permanent.....	675	693	680
11.3	Other than full-time permanent.....	630	645	634
11.5	Other personnel compensation.....	67	71	67
11.8	Special personal service payments.....	28	35	42
11.9	Total personnel compensation.....	1,400	1,444	1,423
12.1	Personnel benefits: Civilian.....	151	156	154
13.0	Benefits for former personnel.....	19	20	20

General and special funds—Continued

RANGE BETTERMENT FUND—Continued

Object Classification (in thousands of dollars)—Continued

Identification code	12-5207-0-2-302	1986 actual	1987 est.	1988 est.
21.0	Travel and transportation of persons.....	21	27	22
22.0	Transportation of things.....	36	46	38
23.1	Rental payments to GSA.....	1	1	1
23.2	Rental payments to others.....	1	1	1
23.3	Communications, utilities, and miscellaneous charges.....	16	20	16
24.0	Printing and reproduction.....	7	9	7
25.0	Other services.....	603	768	632
26.0	Supplies and materials.....	1,248	1,436	1,261
31.0	Equipment.....	45	57	47
32.0	Lands and structures.....	121	154	127
42.0	Insurance claims and indemnities.....	1	1	1
99.9	Total obligations.....	3,670	4,140	3,750

Personnel Summary

Total number of full-time permanent positions.....	29	29	29
Total compensable workyears:			
Full-time equivalent employment.....	74	74	74
Full-time equivalent of overtime and holiday hours.....	3	3	3

LAND ACQUISITION*

*See Part II for additional information.

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601-411), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the Forest Service, [\$49,236,000] \$3,907,000, to be derived from the Land and Water Conservation Fund, [and \$3,000,000 for acquisition of land and interests therein in the Columbia River Gorge, Oregon and Washington, as depicted on a map entitled "Columbia River Gorge Acquisitions—1986" on file with the Forest Service, pursuant to the Department of Agriculture Organic Act of 1956 (7 U.S.C. 428(a)),] to remain available until expended. (16 U.S.C. 4601, 516-517a, 555a; Public Law 96-586; Department of the Interior and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(h).)

Program and Financing (in thousands of dollars)

Identification code	12-5004-0-2-303	1986 actual	1987 est.	1988 est.
Program by activities:				
00.01	Land acquisition.....	40,969	60,000	8,500
00.02	Columbia River Gorge.....		3,000	
10.00	Total obligations.....	40,969	63,000	8,500
Financing:				
17.00	Recovery of prior year obligations.....	—374		
21.40	Unobligated balance available, start of year.....	—60,507	—46,832	—8,998
22.40	Unobligated balance transferred, net.....	4,436	27,070	
24.40	Unobligated balance available, end of year.....	46,832	8,998	4,405
40.00	Budget authority (appropriation).....	31,356	52,236	3,907
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	40,969	63,000	8,500
72.40	Obligated balance, start of year.....	6,149	8,810	30,524
74.40	Obligated balance, end of year.....	—8,810	—30,524	—32,122
78.00	Adjustments in unexpired accounts.....	—374		
90.00	Outlays.....	37,934	41,286	6,902

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

Enacted/requested:	1986 actual	1987 est.	1988 est.
Budget authority.....	31,356	52,236	3,907
Outlays.....	37,934	41,286	6,902
Rescission proposal:			
Budget authority.....		—42,430	

Outlays.....		—7,883	—25,477
Total:			
Budget authority.....	31,356	9,806	3,907
Outlays.....	37,934	33,403	—18,575

Recreation lands and interests are acquired within areas of the National Forest System, wilderness, wildlife habitat management areas, endangered species and other areas for public outdoor recreation purposes.

The land acquisition program includes a rescission of the fiscal year 1987 congressional increase of \$49 million. The 1988 program will initiate a 3-year moratorium on new land acquisitions, complete purchases already started, and meet the most critical court deficiency awards.

Object Classification (in thousands of dollars)

Identification code	12-5004-0-2-303	1986 actual	1987 est.	1988 est.
Personnel compensation:				
11.1	Full-time permanent.....	2,319	2,339	2,273
11.3	Other than full-time permanent.....	113	116	114
11.5	Other personnel compensation.....	17	17	17
11.9	Total personnel compensation.....	2,449	2,472	2,404
12.1	Personnel benefits: Civilian.....	383	387	376
13.0	Benefits for former personnel.....	6	6	6
21.0	Travel and transportation of persons.....	115	181	129
22.0	Transportation of things.....	15	24	17
23.1	Rental payments to GSA.....	53	48	34
23.2	Rental payments to others.....	52	82	59
23.3	Communications, utilities, and miscellaneous charges.....	62	98	70
24.0	Printing and reproduction.....	2	3	2
25.0	Other services.....	967	1,526	1,089
26.0	Supplies and materials.....	3,788	5,977	4,266
31.0	Equipment.....	29	46	33
32.0	Lands and structures.....	33,034	52,128	
42.0	Insurance claims and indemnities.....	10	16	11
44.0	Refunds.....	4	6	4
99.9	Total obligations.....	40,969	63,000	8,500

Personnel Summary

Total number full-time permanent positions.....	78	77	76
Total compensable workyears:			
Full-time equivalent employment.....	82	81	80
Full-time equivalent of overtime and holiday hours.....	1	1	1

ACQUISITION OF LANDS FOR NATIONAL FORESTS

SPECIAL ACTS

For acquisition of lands within the exterior boundaries of the Cache, [and] Uinta, and Wasatch National Forests, Utah; the Toiyabe National Forest, Nevada; and the Angeles, San Bernardino, and Cleveland National Forests, California, as authorized by law, \$966,000, to be derived from forest receipts. (49 Stat. 866; 52 Stat. 347; 52 Stat. 1205; 54 Stat. 299; 75 Stat. 699; 79 Stat. 899; Department of the Interior and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(h).)

Amounts Available for Appropriation (in thousands of dollars)

	1986 actual	1987 est.	1988 est.
Unappropriated balance, start of year.....	77	243	243
Receipts.....	424	966	966
Appropriation.....	—744	—966	—966
Unappropriated balance, end of year.....	243	243	243

Program and Financing (in thousands of dollars)

Identification code	12-5208-0-2-302	1986 actual	1987 est.	1988 est.
Program by activities:				
00.01	Cache National Forest, Utah.....	47	20	20

00.02	Uinta and Wasatch National Forests, Utah.....	30	30	
00.03	Toiyabe National Forest, Nev.....	10	10	
00.04	San Bernardino and Cleveland National Forests, Calif.....	446	446	
00.05	Angeles National Forest, Calif.....	39	260	260
00.06	Cleveland National Forest, Calif.....	210	200	200
10.00	Total obligations.....	306	966	966
Financing:				
25.00	Unobligated balance lapsing.....	438		
40.00	Budget authority (appropriation).....	744	966	966
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	306	966	966
72.40	Obligated balance, start of year.....	379	7	29
74.40	Obligated balance, end of year.....	-7	-29	-29
90.00	Outlays.....	678	944	966

On the basis of various public laws and agreements with certain counties in Utah, Nevada, and California, National Forest receipts, including the portions which would normally be paid to the State to benefit county roads and schools, are used by the Federal Government for purchase of privately owned lands within the National Forests boundaries to aid in the control of soil erosion and flood damage.

Object Classification (in thousands of dollars)

Identification code	12-5208-0-2-302	1986 actual	1987 est.	1988 est.
11.1	Personnel compensation: Full-time permanent.....	82	87	91
12.1	Personnel benefits: Civilian.....	10	11	12
21.0	Travel and transportation of persons.....	1	4	4
25.0	Other contractual services.....	4	16	16
26.0	Supplies and materials.....	1	4	4
32.0	Lands and structures.....	208	844	839
99.9	Total obligations.....	306	966	966

Personnel Summary

Total number of permanent positions.....	3	3	3
Total compensable workyears: Full-time equivalent employment.....	3	3	3

ACQUISITION OF LANDS TO COMPLETE LAND EXCHANGES

For acquisition of lands, to be derived from funds deposited by State, county, or municipal governments, public school districts, or other public school authorities pursuant to the Act of December 4, 1967, as amended (16 U.S.C. 484a), to remain available until expended. (*Department of the Interior and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(h).*)

Program and Financing (in thousands of dollars)

Identification code	12-5216-0-2-302	1986 actual	1987 est.	1988 est.
Program by activities:				
Acquisition of land:				
00.01	Arizona.....	346	566	238
00.02	California.....		835	250
00.03	Colorado.....		279	480
00.04	Georgia.....	37	30	
00.05	Michigan.....	32		
00.06	Montana.....	48		
00.07	New Mexico.....	5		
00.08	Texas.....		420	230
10.00	Total obligations (object class 32.0).....	468	2,130	1,198
Financing:				
21.40	Unobligated balance available, start of year.....	-932	-1,550	-314
24.40	Unobligated balance available, end of year.....	1,550	314	106
40.00	Budget authority (appropriation) (indefinite).....	1,086	895	990

Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	468	2,130	1,198
72.40	Obligated balance, start of year.....	23	369	1,604
74.40	Obligated balance, end of year.....	-369	-1,604	-1,812
90.00	Outlays.....	122	895	990

This is a special account for deposits made by State, county, or municipal governments, public school districts or other public school authorities for cash equalization of certain land exchanges. When appropriated, the funds are used to acquire similar lands suitable for National Forest System purposes in the same State as the National Forest lands conveyed in the land exchange (16 U.S.C. 484a as amended).

Object Classification (in thousands of dollars)

Identification code	12-5216-0-2-302	1986 actual	1987 est.	1988 est.
Personnel compensation:				
11.1	Full-time permanent.....	26	30	33
11.3	Other than full-time permanent.....	1	1	1
11.9	Total personnel compensation.....	27	31	34
12.1	Personnel benefits: Civilian.....	3	3	3
25.0	Other services.....	54	259	143
26.0	Supplies and materials.....	5	24	13
31.0	Equipment.....	1	5	3
32.0	Lands and structures.....	378	1,808	1,002
99.9	Total obligations.....	468	2,130	1,198

Personnel Summary

Total number of permanent positions.....	1	1	1
Total compensable workyears: Full-time equivalent employment.....	1	1	1

OPERATIONS AND MAINTENANCE OF QUARTERS

Program and Financing (in thousands of dollars)

Identification code	12-5219-0-2-302	1986 actual	1987 est.	1988 est.
Program by activities:				
00.01	Direct program.....	4,765	6,916	5,500
01.01	Reimbursable program.....	3		
10.00	Total obligations.....	4,768	6,916	5,500
Financing:				
11.00	Offsetting collections from: Federal funds.....	-3		
21.40	Unobligated balance available, start of year.....	-928	-1,516	
24.40	Unobligated balance available, end of year.....	1,516		
60.00	Budget authority (appropriation) (permanent, indefinite, special fund).....	5,352	5,400	5,500
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	4,765	6,916	5,500
72.40	Obligated balance, start of year.....	693	764	2,384
74.40	Obligated balance, end of year.....	-764	-2,384	-2,404
90.00	Outlays.....	4,694	5,296	5,480

Quarterly rental deductions are collected from employees occupying Forest Service facilities. Amounts are deposited into a special fund and are available for the maintenance and operation of employee occupied quarters.

Object Classification (in thousands of dollars)

Identification code	12-5219-0-2-302	1986 actual	1987 est.	1988 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent.....	1,282	1,316	1,299

General and special funds—Continued

OPERATIONS AND MAINTENANCE OF QUARTERS—Continued

Object Classification (in thousands of dollars)—Continued

Identification code	12-5219-0-2-302	1986 actual	1987 est.	1988 est.
11.3	Positions other than permanent	511	526	520
11.5	Other personnel compensation	24	26	26
11.8	Special personal services payments	1		
11.9	Total personnel compensation	1,818	1,868	1,845
12.1	Personnel benefits: Civilian	215	221	218
13.0	Benefits for former personnel	1	1	1
21.0	Travel and transportation of persons	46	81	58
22.0	Transportation of things	14	25	18
23.2	Rental payments to others	43	76	54
23.3	Communications, utilities, and miscellaneous charges	239	422	300
24.0	Printing and reproduction	1	2	1
25.0	Other services	1,009	1,780	1,267
26.0	Supplies and materials	1,154	2,042	1,455
31.0	Equipment	125	221	157
32.0	Lands and structures	82	145	103
41.0	Grants, subsidies, and contributions	1	2	1
42.0	Insurance claims and indemnities	2	4	3
44.0	Refunds	15	26	19
99.0	Subtotal, direct obligations	4,765	6,916	5,500
99.0	Reimbursable obligations	3		
99.9	Total obligations	4,768	6,916	5,500

Personnel Summary

Total number of full-time permanent positions	56	56	56
Total compensable workyears: Full-time equivalent employment	81	81	81

FOREST SERVICE PERMANENT APPROPRIATIONS

Program and Financing (in thousands of dollars)

Identification code	12-9922-0-2-302	1986 actual	1987 est.	1988 est.
Program by activities:				
00.01	Expenses, brush disposal	40,942	47,835	48,363
00.02	Licensee programs, Forest Service	34	537	542
00.03	Restoration of forest lands and improvements	161	250	253
00.04	Timber purchaser roads constructed by Forest Service	5,957	18,100	30,330
00.05	Timber salvage sales	19,508	26,000	26,286
00.06	Tongass timber supply fund	48,627	54,626	55,226
10.00	Total obligations	115,229	147,348	161,000
Financing:				
17.00	Recovery of prior year obligations	—1,481		
21.40	Unobligated balance available, start of year	—225,391	—260,240	—236,276
24.40	Unobligated balance available, end of year	260,240	236,276	214,965
39.00	Budget authority	148,597	123,384	139,689
Budget authority:				
Current:				
45.00	Transfers out for pay raises and retirement contributions		—11,900	
Permanent:				
60.00	Budget authority (appropriation) (permanent, indefinite) (special fund)	148,597	135,284	139,689
Relation of obligations to outlays:				
71.00	Obligations incurred, net	115,229	147,348	161,000
72.40	Obligated balance, start of year	36,196	37,171	45,705
74.40	Obligated balance, end of year	—37,171	—45,705	—68,323
78.00	Adjustments in unexpired accounts	—1,481		
90.00	Outlays	112,773	138,814	138,382
Distribution of budget authority by account:				
	Expenses, brush disposal	52,935	47,835	54,438
	Licensee programs, Forest Service	96	100	100
	Restoration of forest lands and improvements	176	100	100
	Timber purchaser roads constructed by Forest Service	22,911	3,534	21,037
	Timber salvage sales	20,677	26,000	18,635
	Tongass timber supply fund	51,802	45,815	45,379

Distribution of outlays by account:

Expenses, brush disposal	39,889	47,606	54,471
Licensee programs, Forest Service	57	100	100
Restoration of forest lands and improvements	126	100	100
Timber purchaser roads constructed by Forest Service	9,239	17,849	18,953
Timber salvage sales	19,040	26,010	19,224
Tongass timber supply fund	44,422	47,149	45,534

Expenses, brush disposal.—Funds from payments by purchasers of National Forest timber to dispose of or treat slash and other debris that result from cutting operations (16 U.S.C. 490).

Licensee programs, Forest Service.—Funds from fees for the use of characters by private enterprises are collected under regulations promulgated by the Secretary as follows:

Smokey Bear.—For furthering the nationwide forest fire prevention campaign (16 U.S.C. 580(2)).

Woodsy Owl.—For promoting wise use of the environment and programs which foster maintenance and improvement of environmental quality (16 U.S.C. 580(1)).

Restoration of forest lands and improvements.—Funds from claim settlements involving damage to lands or improvements and from forfeiture of deposits and bonds by permittees and timber purchasers are used for the restoration made necessary by the action which led to the settlement of forfeiture (16 U.S.C. 579c).

Timber purchaser roads constructed by Forest Service.—Funds from timber receipts for Government constructed permanent roads for purchasers of timber who qualify as small businesses and elect to have the Forest Service construct the roads designated under the timber sale contract where costs exceed \$20,000 (16 U.S.C. 472a(i)).

Timber salvage sales.—Funds to begin salvage of insect-infested, dead, damaged, or down timber, and to remove associated trees for stand improvement (16 U.S.C. 472a(h)).

Tongass timber supply fund.—Funds from sales of Alaska timber to maintain the timber supply from the Tongass National Forest at a specified level (16 U.S.C. 539d).

Object Classification (in thousands of dollars)

Identification code	12-9922-0-2-302	1986 actual	1987 est.	1988 est.
Personnel compensation:				
11.1	Full-time permanent	36,875	35,155	35,413
11.3	Other than full-time permanent	10,945	10,442	10,519
11.5	Other personnel compensation	3,247	3,016	3,038
11.8	Special personal service payments	62	69	70
11.9	Total personnel compensation	51,129	48,682	49,040
12.1	Personnel benefits: Civilian	9,745	9,279	10,139
13.0	Benefits for former personnel	1,727	1,646	1,799
21.0	Travel and transportation of persons	3,161	5,351	5,846
22.0	Transportation of things	907	1,535	1,677
23.1	Rental payments to GSA	1,749	1,618	1,768
23.2	Rental payments to others	863	1,461	1,596
23.3	Communications, utilities, and miscellaneous charges	2,298	3,890	4,250
24.0	Printing and reproduction	270	457	499
25.0	Other services	22,343	37,820	41,324
26.0	Supplies and materials	4,217	7,138	7,799
31.0	Equipment	2,165	3,665	4,004
32.0	Lands and structures	14,601	24,715	31,160
41.0	Grants, subsidies, and contributions	2	3	3
42.0	Insurance claims and indemnities	34	58	63
44.0	Refunds	18	30	33
99.9	Total obligations	115,229	147,348	161,000

Personnel Summary

Total number of full-time permanent positions.....	1,551	1,438	1,375
Total compensable workyears:			
Full-time equivalent employment	2,211	2,062	1,961
Full-time equivalent of overtime and holiday hours	132	123	117

FOREST SERVICE PERMANENT APPROPRIATIONS

Program and Financing (in thousands of dollars)

Identification code	12-9921-0-2-852	1986 actual	1987 est.	1988 est.
Program by activities:				
00.01	Payment to Minnesota.....	1,401	747	716
00.02	Payments to counties, National Grasslands	15,327	9,716	10,366
00.03	Payments to States, National Forest Fund.....	382,759	549,262	285,063
10.00	Total obligations (object class 41.0)	399,487	559,725	296,145
Financing:				
21.40	Unobligated balance available, start of year.....	—1	—285,846	.....
24.40	Unobligated balance available, end of year.....	285,846	.....	.....
60.00	Budget authority (appropriation) (permanent, indefinite, special fund).....	685,333	273,879	296,145
Relation of obligations to outlays:				
71.00	Obligations incurred, net	399,487	559,725	296,145
90.00	Outlays.....	399,487	559,725	296,145
Distribution of budget authority by account:				
	Payment to Minnesota.....	2,117	716	716
	Payments to counties, National Grasslands	19,888	9,356	10,366
	Payments to States, National Forest Fund.....	663,328	263,807	285,063
Distribution of outlays by account:				
	Payment to Minnesota.....	1,401	1,432	716
	Payments to counties, National Grasslands	15,327	13,917	10,366
	Payments to States, National Forest Fund.....	382,759	544,376	285,063

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

Enacted/requested:	1986 actual	1987 est.	1988 est.
Budget authority	685,333	273,879	296,145
Outlays.....	399,487	559,725	296,145
Proposed for later transmittal under proposed legislation:			
Budget authority .....	.....	.....	—270,089
Outlays.....	.....	.....	—270,089
Total:			
Budget authority	685,333	273,879	26,056
Outlays.....	399,487	559,725	26,056

Payment to Minnesota.—At the close of each fiscal year the State of Minnesota is paid 0.75 percent of the appraised value of certain Superior National Forest lands in the counties of Cook, Lake, and St. Louis for distribution to these counties (16 U.S.C. 577g).

Payments to counties, National Grasslands.—Of the revenues received from the use of National Grasslands, 25 percent is paid to the counties in which such land is situated for funding local schools and roads (7 U.S.C. 1012).

Payments to States, National Forest Fund.—With minor exceptions, 25 percent of the money received from the National Forests, including all the collections under 16 U.S.C. 576b, and all amounts allowed any timber purchaser for construction of roads, is paid to the States for funding local schools and roads of the county in which such forests are situated (16 U.S.C. 500 and 97 Stat. 1123).

FOREST SERVICE PERMANENT APPROPRIATIONS

(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identification code	12-9921-2-2-852	1986 actual	1987 est.	1988 est.
Program by activities:				
00.02	Payments to counties, National Grasslands .....	.....	.....	—6,601
00.03	Payments to States, National Forest Fund.....	.....	.....	—263,488
10.00	Total obligations (object class 41.0) .....	.....	.....	—270,089
Financing:				
40.00	Budget authority (appropriation) (indefinite, special fund) .....	.....	.....	—270,089
Relation of obligations to outlays:				
71.00	Obligations incurred, net .....	.....	.....	—270,089
90.00	Outlays.....	.....	.....	—270,089

Legislation will be proposed to change the method of calculating the annual payment to the States and counties from National Forest and National Grassland receipts. Under existing legislation, 25 percent of all moneys received from the National Forests and National Grasslands during the fiscal year is paid to the States and counties in which the forests or grasslands are located, for the benefit of public schools and public roads of the county or counties in which such National Forests or National Grasslands are situated. The proposed legislation would make these payments more equitable by first considering Government costs for timber, minerals, range and land management necessary to generate gross timber, mineral, range and land receipts. Recreation receipts would still be shared with the States on a gross basis.

Intragovernmental funds:

WORKING CAPITAL FUND

Program and Financing (in thousands of dollars)

Identification code	12-4605-0-4-302	1986 actual	1987 est.	1988 est.
Program by activities:				
00.01	Operating expenses	65,263	64,580	65,644
00.02	Capital investment.....	21,635	29,150	26,891
10.00	Total obligations.....	86,898	93,730	92,535
Financing:				
Offsetting collections from:				
11.00	Federal funds.....	—83,837	—82,182	—84,800
14.00	Non-Federal sources.....	—3,223	—3,653	—4,073
21.98	Unobligated balance available, start of year: Fund balance.....	—71,371	—71,533	—63,638
24.98	Unobligated balance available, end of year: Fund balance.....	71,533	63,638	59,976
39.00	Budget authority .....	.....	.....	.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net	—163	7,895	3,662
72.98	Obligated balance, start of year: Fund balance	35,905	35,593	43,488
74.98	Obligated balance, end of year: Fund balance	—35,593	—43,488	—47,150
90.00	Outlays.....	149	.....	.....

The Working Capital Fund is a self-sustaining revolving fund which provides services to National Forests, research experiment stations, and when necessary, to other Federal agencies, and as provided by law, to State and private agencies and persons who cooperate with

Intragovernmental funds—Continued

WORKING CAPITAL FUND—Continued

the Forest Service in fire control and other authorized programs.

The forestry related supply and support services include:

Equipment services which own, operate, maintain, replace, and repair common use motor driven and similar equipment. This equipment is rented to administrative units, that is, National Forests, research experiment stations, and other units, and in some cases to the other agencies, at rates which recover the cost of operation, repair and maintenance, management, and depreciation. The rates also include an increment which provides additional cash which, when added to depreciation earnings and the residual value of equipment, provides sufficient funds to replace the equipment.

Aircraft services which operate, maintain, and repair Forest Service owned aircraft used in fire surveillance and suppression and in other Forest Service programs. The aircraft are rented to National Forests, research experiment stations, and in some cases to other agencies, at rates which recover the cost of depreciation, operation, maintenance, repair, and improvements in the airworthiness of the aircraft. Aircraft replacement costs are financed from either appropriated funds or the Forest Service Working Capital Fund, or a combination of both.

Supply services operate the following common services:

Photo reproduction laboratories which store, reproduce, and supply aerial photographs, aerial maps, and other photographs of National Forest lands. The photographic reproductions are sold to National Forests, experiment stations, and others at cost.

Sign shops which manufacture and supply special signs for the National Forests for use in regulating traffic and as information to the public and other users of the National Forests. The signs are sold to National Forests and experiment stations at cost.

Subsistence which prepare and serve meals to Forest Service crews working in areas where adequate public restaurant facilities are not available.

Seed supply which provides tree seed for direct seeding or sowing in nurseries for the production of trees. Includes purchase or collection of cones, extraction of seeds, cleaning and testing, and storage and delivery. Operates in conjunction with tree nurseries.

Tree nurseries which operate forest tree nurseries and cold storage facilities for storage of tree seedlings. Tree seedlings are sold to National Forests, State foresters, and other cooperators at cost.

Object Classification (in thousands of dollars)

Identification code	12-4605-0-4-302	1986 actual	1987 est.	1988 est.
Personnel compensation:				
11.1	Full-time permanent	17,098	17,637	17,137
11.3	Other than full-time permanent	5,134	5,286	5,154
11.5	Other personnel compensation	559	575	560
11.8	Special personal services payments	4	4	4
11.9	Total personnel compensation	22,795	23,502	22,855
12.1	Personnel benefits: Civilian	2,889	2,979	2,897
13.0	Benefits for former personnel	561	579	563
21.0	Travel and transportation of persons	507	558	554

22.0	Transportation of things	366	403	400
23.1	Rental payments to GSA	505	468	545
23.2	Rental payments to others	627	690	685
23.3	Communications, utilities, and miscellaneous charges	1,370	1,508	1,496
24.0	Printing and reproduction	19	21	21
25.0	Other services	14,371	15,817	15,691
26.0	Supplies and materials	20,857	22,956	22,772
31.0	Equipment	21,684	23,867	23,677
32.0	Lands and structures	103	113	112
41.0	Grants, subsidies and contributions	2	2	2
42.0	Insurance claims and indemnities	242	267	265
99.9	Total obligations	86,898	93,730	92,535

Note.—Personnel totals are included with personnel totals of all other Forest Service programs.

Trust Funds

REFORESTATION TRUST FUND

Program and Financing (in thousands of dollars)

Identification code	20-8046-0-7-302	1986 actual	1987 est.	1988 est.
Program by activities:				
00.01	Direct program	30,047	30,007	35,000
01.01	Reimbursable program	185	.....	.....
10.00	Total obligations	30,232	30,007	35,000
Financing:				
11.00	Offsetting collections from: Federal funds	— 185	.....	.....
21.40	Unobligated balance available, start of year	— 4,749	— 5,007	— 5,000
24.40	Unobligated balance available, end of year	5,007	5,000	.....
60.00	Budget authority (appropriation) (permanent, indefinite)	30,305	30,000	30,000
Relations of obligations to outlays:				
71.00	Obligations incurred, net	30,047	30,007	35,000
72.40	Obligated balance, start of year .....	.....	.....	265
74.40	Obligated balance, end of year .....	.....	— 265	— 5,265
90.00	Outlays	30,047	29,742	30,000

Amounts from this account are used for reforestation as authorized by 16 U.S.C. 1606a (d) and (e).

Object Classification (in thousands of dollars)

Identification code	20-8046-0-7-302	1986 actual	1987 est.	1988 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	12,453	12,733	13,000
11.3	Other than full-time permanent	3,390	3,446	3,516
11.5	Other personnel compensation	569	582	1,057
11.8	Special personal services payments	145	148	157
11.9	Total personnel compensation	16,557	16,909	17,730
12.1	Personnel benefits: Civilian	1,975	2,019	2,136
13.0	Benefits for former personnel	1,269	1,298	1,476
21.0	Travel and transportation of persons	117	120	152
22.0	Transportation of things	75	77	98
23.1	Rental payments to GSA	147	150	154
23.2	Rental payments to others	72	67	85
23.3	Communications, utilities, and miscellaneous charges	165	172	217
24.0	Printing and reproduction	3	3	4
25.0	Other services	6,420	5,810	8,663
26.0	Supplies and materials	2,412	2,481	3,143
31.0	Equipment	290	306	387
32.0	Lands and structures	526	574	728
41.0	Grants, subsidies, and contributions	3	3	4
42.0	Insurance claims and indemnities	16	18	23
99.0	Subtotal, direct obligations	30,047	30,007	35,000
99.0	Reimbursable obligations	185	.....	.....
99.9	Total obligations	30,232	30,007	35,000

Personnel Summary

Total number of full-time permanent positions.....	502	502
Total compensable workyears:		
Full-time equivalent employment.....	725	725
Full-time equivalent of overtime and holiday hours.....	25	25

41.0	Grants, subsidies, and contributions.....	17	24	31
42.0	Insurance claims and indemnities.....	87	122	156
44.0	Refunds.....	500	699	893
99.9	Total obligations.....	166,096	210,137	259,790

Personnel Summary

Total number of full-time permanent positions.....	2,019	2,176	2,608
Total compensable workyears:			
Full-time equivalent employment.....	2,898	3,141	3,744
Full-time equivalent of overtime and holiday hours.....	99	107	128

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations or allotments from other accounts are included in the schedule of the parent appropriations, as follows:

Agriculture: Agricultural Research Service.
Soil Conservation Service:
 Watershed and flood prevention operations.
 Resource conservation and development.
 Watershed planning.
 River basin surveys and investigations.
Agriculture Stabilization Conservation Service: Conservation reserve.
Farmers Home Administration: Rural community fire protection grants.
Treasury: Reforestation trust fund.
Transportation: Federal Highway Administration, Highway trust fund.
Labor: Employment and Training Administration, Training and employment services.

COOPERATIVE WORK TRUST FUND

Program and Financing (in thousands of dollars)

Identification code	12-8028-0-7-302	1986 actual	1987 est.	1988 est.
Program by activities:				
00.01	Cooperative work, KV.....	124,007	166,724	208,259
00.02	Cooperative work, other.....	42,089	43,413	51,531
10.00	Total obligations.....	166,096	210,137	259,790
Financing:				
17.00	Recovery of prior year obligations.....	— 6,073		
21.40	Unobligated balance available, start of year.....	— 505,303	— 547,796	— 535,275
24.40	Unobligated balance available, end of year.....	547,796	535,275	525,854
60.00	Budget authority (appropriation) (permanent, indefinite).....	202,517	197,616	250,369
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	166,096	210,137	259,790
72.40	Obligated balance, start of year.....	— 101,700	— 70,516	— 50,484
74.40	Obligated balance, end of year.....	70,516	50,484	33,256
78.00	Adjustment in unexpired accounts.....	— 6,073		
90.00	Outlays.....	128,839	190,105	242,562

Advances, including deposits from purchasers of timber, are received and used for specified work in forest investigations protection, and improvement of the National Forest System, including protection, reforestation, and administration of private lands adjacent to National Forests (7 U.S.C. 2269; 16 U.S.C. 498, 535, 565a, 572, 572a, 576b, 1643; and 31 U.S.C. 1321).

Object Classification (in thousands of dollars)

Identification code	12-8028-0-7-302	1985 actual	1987 est.	1988 est.
Personnel compensation:				
11.1	Full-time permanent.....	46,712	51,772	60,790
11.3	Other than full-time permanent.....	14,580	16,156	18,984
11.5	Other personnel compensation.....	2,644	2,922	3,444
11.8	Special personal services payment.....	119	134	158
11.9	Total personnel compensation.....	64,055	70,984	83,376
12.1	Personnel benefits: Civilian.....	8,450	9,364	10,999
13.0	Benefits for former personnel.....	2,338	2,591	3,042
21.0	Travel and transportation of persons.....	1,603	2,241	2,862
22.0	Transportation of things.....	1,148	1,605	2,050
23.1	Rental payments to GSA.....	836	773	902
23.2	Rental payments to others.....	1,340	1,874	2,393
23.3	Communications, utilities, and miscellaneous charges.....	3,619	5,060	6,463
24.0	Printing and reproduction.....	140	196	250
25.0	Other services.....	52,462	73,355	93,690
26.0	Supplies and materials.....	16,879	23,601	30,143
31.0	Equipment.....	2,582	3,610	4,611
32.0	Land and structures.....	10,040	14,038	17,929

GIFTS, DONATIONS, AND BEQUESTS FOR FOREST AND RANGELAND RESEARCH

For expenses authorized by 16 U.S.C. 1643(b), \$90,000 to remain available until expended, to be derived from the fund established pursuant to the above Act. (*Department of the Interior and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(h).*)

Program and Financing (in thousands of dollars)

Identification code	12-8034-0-7-302	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 25.0).....	8	347	90
Financing:				
Unobligated balance available, start of year:				
21.40	U.S. securities (par).....	— 53	— 57	
21.40	Treasury balance.....	— 200	— 200	
Unobligated balance available, end of year:				
24.40	U.S. securities (par).....	57		
24.40	Treasury balance.....	200		
40.00	Budget authority (appropriation).....	12	90	90
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	8	347	90
72.40	Obligated balance, start of year.....	28	— 1	256
74.40	Obligated balance, end of year.....	1	— 256	— 256
90.00	Outlays.....	37	90	90

This appropriation makes available to the Forest Service all deposits received from gifts and bequests for research to invest and reinvest in public debt securities for forest and rangeland research.

HIGHWAY CONSTRUCTION: MOUNT ST. HELENS NATIONAL MONUMENT*

*See Part II for additional information.

Program and Financing (in thousands of dollars)

Identification code	12-8029-0-7-401	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations.....		9,915	
Financing:				
49.00	Contract authority (appropriations acts).....		9,915	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....		9,915	
72.49	Obligated balance, start of year: Contract authority.....	32		4,323
74.49	Obligated balance, end of year: Contract authority.....		— 4,323	— 813
90.00	Outlays.....	32	5,592	3,510

HIGHWAY CONSTRUCTION: MOUNT ST. HELENS NATIONAL
MONUMENT—Continued

STATUS OF UNFUNDED CONTRACT AUTHORITY

(In thousands of dollars)

Unfunded balance, start of year.....	9,915	
Supplemental request:		
Contract authority.....	9,915	
Appropriation to liquidate contract authority:		
Supplemental request.....	-9,915	
Unfunded balance, end of year.....	9,915	9,915
Supplemental request.....	-9,915	-9,915

In fiscal year 1986, the amounts shown represent Highland Scenic Highway.

Contract authority for Mount St. Helens National Monument was made available by the continuing resolution, Department of the Interior and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591. This contract authority will be used to construct a road in the Mount St. Helens National Monument. A supplemental request for an appropriation to liquidate contract authority is contained in Part II of the budget appendix.

Object Classification (in thousands of dollars)

Identification code	12-8029-0-7-401	1986 actual	1987 est.	1988 est.
Personnel compensation:				
11.1	Full-time permanent.....		749	
11.3	Other than full-time permanent.....		92	
11.9	Total personnel compensation.....		841	
12.1	Personnel benefits: Civilian.....		118	
13.0	Benefits for former personnel.....		9	
21.0	Travel and transportation of persons.....		270	
22.0	Transportation of things.....		105	
23.2	Rental payments to others.....		45	
23.3	Communications, utilities, and miscellaneous charges.....		482	
24.0	Printing and reproduction.....		60	
25.0	Other services.....		3,713	
26.0	Supplies and materials.....		600	
31.0	Equipment.....		614	
32.0	Land and structures.....		2,986	
42.0	Insurance claims and indemnities.....		44	
44.0	Refunds.....		28	
99.9	Total obligations.....		9,915	

ADMINISTRATIVE PROVISIONS, FOREST
SERVICE

Appropriations to the Forest Service for the current fiscal year shall be available for: (a) purchase of not to exceed [245] 186 passenger motor vehicles of which [eight] nine will be used primarily for law enforcement purposes and of which [235] 179 shall be for replacement only, of which acquisition of [148] 157 passenger motor vehicles shall be from excess sources, and hire of such vehicles; operation and maintenance of aircraft, the purchase of not to exceed two for replacement only, and acquisition of [58] 50 aircraft from excess sources; notwithstanding other provisions of law, existing aircraft being replaced may be sold, with proceeds derived or trade-in value used to offset the purchase price for the replacement aircraft; (b) services pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$100,000 for employment under 5 U.S.C. 3109; (c) uniform allowances for each uniformed employee of the Forest Service, not in excess of \$400 annually; (d) purchase, erection, and alteration of buildings and other public improvements (7 U.S.C. 2250); (e) acquisition of land, waters, and interests therein, pursuant to the Act of August 3, 1956 (7 U.S.C. 428a); (f) for expenses pursuant to the Volunteers in the National Forest Act of 1972 (16 U.S.C. 558a, 558d, 558a note); and (g) for debt collection contracts in accordance with 31 U.S.C. 3718(c).

[None of the funds made available under this Act shall be obligated or expended to change the boundaries of any region, to abolish any region, to move or close any regional office for research, State and private forestry, or National Forest System administration of the Forest Service, Department of Agriculture, without the consent of the House and Senate Committees on Appropriations and the Committee on Agriculture, Nutrition, and Forestry in the United States Senate and the Committee on Agriculture in the United States House of Representatives.]

Any appropriations or funds available to the Forest Service may be advanced to the National Forest System appropriation for the emergency rehabilitation of burned-over lands under its jurisdiction.

[Appropriations and funds available to the Forest Service shall be available to comply with the requirements of section 313(a) of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1323(a)).]

[The appropriation structure for the Forest Service may not be altered without advance approval of the House and Senate Committees on Appropriations.]

Notwithstanding any other provision of law, any appropriations or funds available to the Forest Service may be used to reimburse employees for the cost of State licenses and certification fees pursuant to their Forest Service position and that are necessary to comply with State laws, regulations, and requirements.

[Notwithstanding any other provision of law, the Secretary of Agriculture is hereafter authorized to use from any receipts from the sale of timber a sum equal to the cost of construction of roads under the purchaser election program as described and authorized in section 14(i) of the National Forest Management Act of 1976.]

Funds appropriated to the Forest Service shall be available for assistance to or through the Agency for International Development and the Office of International Cooperation and Development in connection with forest and rangeland research, [and] technical information, and assistance in foreign countries.

Funds previously appropriated for timber salvage sales may be recovered from receipts deposited for use by the applicable national forest and credited to the Forest Service Permanent Appropriations to be expended for timber salvage sales from any national forest: *Provided*, That no less than \$26,000,000 shall be made available to the Forest Service for obligation in fiscal year 1987 from the Timber Salvage Sales Fund appropriation.]

[None of the funds made available to the Forest Service under this Act shall be subject to transfer under the provisions of section 702(b) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 2257) or 7 U.S.C. 147b unless the proposed transfer is approved in advance by the House and Senate Committees on Appropriations in compliance with the reprogramming procedures contained in House Report 99-714.]

No funds appropriated to the Forest Service shall be transferred to the Working Capital Fund of the Department of Agriculture without the approval of the Chief of the Forest Service.

[Funds available to the Forest Service shall be available to conduct a program of not less than \$1,000,000 for high priority projects within the scope of the approved budget which shall be carried out by Youth Conservation Corps as if authorized by the Act of August 13, 1970, as amended by Public Law 93-408.]

[The Forest Service is authorized and directed to negotiate, within 90 days after the enactment of this Act, settlement of claims against the United States resulting from a forest fire in the Black Hills National Forest: *Provided*, That notwithstanding any other provision of law, the Secretary of the Treasury is authorized and directed to pay the amount of the settlement from the Claims, Judgments, and Relief Act Fund (Public Law 95-26).]

[In order to provide for more comprehensive and effective management, the exterior boundary of the Gifford Pinchot National Forest in the State of Washington is hereby modified as generally depicted on a map entitled "Boundary Modification, Gifford Pinchot National Forest", dated August 1986. Such map and legal description of the boundary modification of said National Forest shall be on file and available for public inspection in the Office of the Chief, Forest Service, Department of Agriculture and in appropriate field offices of that agency. This boundary modification shall not affect valid existing rights or interests in existing land use authorizations.]

[No more than \$500,000 made available to the Forest Service for obligation in fiscal year 1987 shall be expended to support Washington office staff in the development of the RPA: *Provided*, That this

shall not reduce funds available for the development of forest plans pursuant to the National Forest Management Act of 1976.]

TITLE VI—GENERAL PROVISIONS

SEC. 601. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive Order issued pursuant to existing law.

SEC. 602. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department of Agriculture for the fiscal year [1987] 1988 under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed [seven hundred thirty-four (734)] *three hundred fifty-four (354)* passenger motor vehicles, of which [seven hundred twenty-six (726)] *three hundred forty-six (346)* shall be for replacement only, and for the hire of such vehicles.

SEC. 603. Funds in this Act available to the Department of Agriculture shall be available for uniforms or allowances as authorized by law (5 U.S.C. 5901-5902).

SEC. 604. Not less than \$1,500,000 of the appropriations of the Department of Agriculture in this Act for research and service work authorized by the Acts of August 14, 1946, July 28, 1954, and September 6, 1958 (7 U.S.C. 427, 1621-1629; 42 U.S.C. 1891-1893), shall be available for contracting in accordance with said Acts.

SEC. 605. No part of the funds contained in this Act may be used to make production or other payments to a person, persons, or corporations upon a final finding by court of competent jurisdiction that such party is guilty of growing, cultivating, harvesting, processing or storing marihuana, or other such prohibited drug-producing plants on any part of lands owned or controlled by such persons or corporations.

SEC. 606. Advances of money to chiefs of field parties from any appropriation in this Act for the Department of Agriculture may be made by authority of the Secretary of Agriculture.

SEC. 607. The cumulative total of transfers to the Working Capital Fund for the purpose of accumulating growth capital for data services and National Finance Center operations shall not exceed \$2,000,000: *Provided*, That no funds in this Act appropriated to an agency of the Department shall be transferred to the Working Capital Fund without the approval of the agency administrator.

SEC. 608. New obligational authority provided for the following appropriation items in this Act shall remain available until expended: Public Law 480; [Mutual and Self-Help Housing; Watershed and Flood Prevention Operations; Resource Conservation and Development; Colorado River Basin Salinity Control Program;] Animal and Plant Health Inspection Service, Buildings and Facilities; Agricultural Stabilization and Conservation Service, Salaries and Expenses funds made available to county committees; the Federal Crop Insurance Corporation Fund; [Rural Housing for Domestic Farm Labor; Agricultural Research Service, Buildings and Facilities; Scientific Activities Overseas (Foreign Currency Program); Dairy Indemnity Program; \$5,000,000 for the grasshopper and Mormon cricket control program, Animal and Plant Health Inspection Service; \$2,852,000 for higher education training grants under section 1417(a)(3)(B) of Public Law 95-113, as amended (7 U.S.C. 3152(a)(3)(B));] and Buildings and Facilities, Food and Drug Administration.

SEC. 609. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 610. Not to exceed \$50,000 of the appropriation available to the Department of Agriculture in this Act shall be available to provide appropriate orientation and language training pursuant to Public Law 94-449.

SEC. 611. Notwithstanding any other provision of law, employees of the agencies of the Department of Agriculture, including employees of the Agricultural Stabilization and Conservation county committees, may be utilized to provide part-time and intermittent assistance to other agencies of the Department, without reimbursement, during periods when they are not otherwise fully utilized, and ceilings on full-time equivalent staff years established for or by the Department of Agriculture shall exclude overtime as well as staff years expended as a result of carrying out programs associated with natural disaster, such as forest fires, droughts, floods, and other acts of God.

[SEC. 612. Funds provided by this Act for personnel compensation and benefits shall be available for obligation for that purpose only.]

[SEC. 613. No part of any appropriation contained in this Act shall be expended by any executive agency, as referred to in the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), pursuant to any obligation for services by contract, unless such executive agency has awarded and entered into such contract as provided by law.]

[SEC. 614. None of the funds appropriated or otherwise made available by this Act shall be available to implement, administer, or enforce any regulation which has been disapproved pursuant to a resolution of disapproval duly adopted in accordance with the applicable law of the United States.]

[SEC. 615. Certificates of beneficial ownership sold by the Farmers Home Administration in connection with the Agricultural Credit Insurance Fund, Rural Housing Insurance Fund, and the Rural Development Insurance Fund shall be not less than 65 per centum of the value of the loans closed during the fiscal year.]

SEC. [616.] 612. No funds appropriated by this Act may be used to pay negotiated indirect cost rates on cooperative agreements or similar arrangements between the United States Department of Agriculture and nonprofit institutions in excess of 10 per centum of the total direct cost of the agreement when the purpose of such cooperative arrangements is to carry out programs of mutual interest between the two parties. This does not preclude appropriate payment of indirect costs on grants and contracts with such institutions when such indirect costs are computed on a similar basis for all agencies for which appropriations are provided in this Act.

[SEC. 617. None of the funds in this Act shall be used to carry out any activity related to phasing out the Resource Conservation and Development Program.]

SEC. [618.] 613. None of the funds in this Act shall be used to prevent or interfere with the right and obligation of the Commodity Credit Corporation to sell surplus agricultural commodities in world trade at competitive prices as authorized by law.

SEC. [619.] 614. Notwithstanding any other provision of this Act, commodities acquired by the Department in connection with Commodity Credit Corporation and section 32 price support operations may be used, as authorized by law (15 U.S.C. 714c and 7 U.S.C. 612c), to provide commodities to individuals in cases of hardship as determined by the Secretary of Agriculture.

[SEC. 620. During fiscal year 1987, notwithstanding any other provision of law, no funds may be paid out of the Treasury of the United States or out of any fund of a Government corporation to any private individual or corporation in satisfaction of any assurance agreement or payment guarantee or other form of loan guarantee entered into by any agency or corporation of the United States Government with respect to loans made and credits extended to the Polish People's Republic, unless the Polish People's Republic has been declared to be in default of its debt to such individual or corporation or unless the President has provided a monthly written report to the Speaker of the House of Representatives and the President of the Senate explaining the manner in which the national interest of the United States has been served by any payments during the previous month under loan guarantee or credit assurance agreement with respect to loans made or credits extended to the Polish People's Republic in the absence of a declaration of default.]

SEC. [621.] 615. None of the funds in this Act shall be available to reimburse the General Services Administration for payment of space rental and related costs in excess of the amounts specified in this Act.

[SEC. 622. In fiscal year 1987, the Secretary of Agriculture shall initiate construction on not less than twenty new projects under the Watershed Protection and Flood Prevention Act (Public Law 566) and not less than five new projects under the Flood Control Act (Public Law 534).]

SEC. [623.] 616. Funds provided by this Act may be used for translation of publications of the Department of Agriculture into foreign languages when determined by the Secretary to be in the public interest.

[SEC. 624. None of the funds appropriated by this or any other Act may be used to relocate the Hawaii State Office of the Farmers Home Administration from Hilo, Hawaii, to Honolulu, Hawaii.]

SEC. [625.] 617. Provisions of law prohibiting or restricting personal services contracts shall not apply to veterinarians employed by the Department to take animal blood samples, test and vaccinate animals, and perform branding and tagging activities on a fee-for-service basis.

【SEC. 626. None of the funds provided in this Act may be used to reduce programs by establishing an end-of-year employment ceiling on full-time equivalent staff years below the level set herein for the following agencies: Farmers Home Administration, 12,675; Agricultural Stabilization and Conservation Service, 2,550; and Soil Conservation Service, 14,177.】

SEC. 【627】 618. Funds provided in this Act may be used for one-year contracts which are to be performed in two fiscal years so long as the total amount for such contracts is obligated in the year for which the funds are appropriated.

SEC. 【628】 619. Funds appropriated by this Act shall be applied only to the objects for which appropriations were made except as otherwise provided by law, as required by 31 U.S.C. 1301.

SEC. 【629】 620. None of the funds in this Act shall be available to restrict the authority of the Commodity Credit Corporation to lease space for its own use or to lease space on behalf of other agencies of the Department of Agriculture when such space will be jointly occupied.

SEC. 【630】 621. All funds appropriated for this fiscal year and all funds appropriated hereafter by this or any other Act that are determined to be part of the "extramural budget" of the Department of Agriculture for any fiscal year for purposes of meeting the requirements of section 9 of the Small Business Act (15 U.S.C. 638), as amended by the Small Business Innovation Development Act of 1982, Public Law 97-219, shall be available for contracts, grants or cooperative agreements with small business concerns for any purpose in furtherance of the small business innovation research program. Such funds may be transferred for such purpose from one appropriation to another or to a single account.

【SEC. 631. None of the funds provided in this Act may be expended to release information acquired from any handler under the Agricultural Marketing Agreement Act of 1937, as amended: *Provided*, That this provision shall not prohibit the release of information to other Federal agencies for enforcement purposes: *Provided further*, That this provision shall not prohibit the release of aggregate statistical data used in formulating regulations pursuant to the Agricultural Marketing Agreement Act of 1937, as amended: *Provided further*, That this provision shall not prohibit the release of information submitted by milk handlers.】

【SEC. 632. Unless otherwise provided in this Act, none of the funds appropriated in this Act may be used by the Farmers Home Administration to employ or otherwise contract with private debt collection agencies to collect delinquent payments from Farmers Home Administration borrowers.】

【SEC. 633. (A) Disaster assistance to meet needs resulting from drought in the southeastern states, floods and excessive moisture in Michigan and Oklahoma and other natural disasters in such other states as may be determined by the President.】

【EMERGENCY ASSISTANCE TO AGRICULTURAL PRODUCERS】

【As authorized by existing law, and within the funding levels provided by this Act, for disasters occurring in 1986, the Secretary of Agriculture shall, in the case of any farmer or rancher suffering a major loss from such disaster, direct the Administrator of the Farmers Home Administration to, under such rules and regulations as the Secretary may determine as long as the objective of enabling farmers to stay in business is carried out:

(1) Refinance existing debt at the lowest allowable interest rate and such term as will give the borrower a reasonable chance to repay;

(2) Provide loans for financing 1987 crop production;

(3) Stretch out loan payments over a period of years, and base such payments on regaining our normal fair share of world markets; and

(4) Coordinate disaster assistance programs with the Administrator of the Small Business Administration to assure that all individuals affected by natural disaster are provided with the appropriate financial assistance.

(B) Within the funds made available by this section, the Secretary of Agriculture shall:

(a)(1) As soon as practicable, but not later than forty-five days after the date of application by an eligible producer, make available to eligible producers for losses of production due to drought, excessive heat, floods, hail or excessive moisture in 1986 payments determined in accordance with this subsection.

(2) An eligible producer shall be a producer of the 1986 crop of wheat, feed grains, upland cotton, rice, soybeans, sugar beets, sugar cane or peanuts who—

(A) is eligible to receive price support under section 107D, 105C, 103A, 101A, 201 or 108B of the Agricultural Act of 1949 (7 U.S.C. 1445b-3, 1444e, 1444-1, 1446, or 1445c-2); and

(B) is in a county in which producers are eligible to receive disaster emergency loans under section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961) as the result of drought, excessive heat, floods, hail or excessive moisture which occurred in 1986.

(3) Payments made available to each eligible producer shall not exceed \$100,000 for all crops (without regard to other limitations in farm program payments) and shall be determined for each crop of such commodities by multiplying—

(A) the payment rate; by

(B) the loss of production of the eligible producer.

(4)(A) Except for sugar beets and sugar cane, the payment rate shall be equal to the level of price support established for the crop of the commodity for the farm.

(B) For purposes of determining the payment rate for sugar beets and sugar cane, the Secretary shall establish a payment rate which is fair and reasonable in relation to the level of price support which is established for the 1986 crop of sugar beets and sugar cane.

(5)(A) The loss of production of the eligible producer shall be the quantity of wheat, feed grains, cotton, rice, soybeans, sugar beets and sugar cane or peanuts that eligible producers on a farm are unable to harvest due to reduced yields or are prevented from planting to such commodity or other nonconserving crops due to drought, excessive heat, floods, hail or excessive moisture in 1986. Such loss of production of the eligible producer for each such crop shall be the difference between—

(i) The result determined by multiplying (I) 50 per centum of the farm program payment yield established for the crop of the commodity, by (II) the sum of the acreage of such crop planted to harvest and the acreage for which prevented planted credit is approved by the Secretary; and

(ii) The actual production on the farm of such crop of the commodity if such quantity is less than the quantity determined in accordance with clause (i).

(B) The sum of the acreage determined in accordance with paragraph (5)(A)(i)(II) shall not exceed—

(i) with respect to wheat, feed grains, upland cotton, or rice, the 1986 permitted acreage determined for such crop of the commodity; and

(ii) with respect to soybeans, peanuts, sugar beets and sugar cane, the acreage so affected but not to exceed the acreage planted in the immediately preceding year to soybeans or peanuts, respectively, for harvest including any acreage that the producer was prevented from planting to such commodity or to other nonconserving crops in lieu of soybeans or peanuts because of drought, excessive moisture, flood, hail, or other natural disaster, or other condition beyond the control of the producer.

(6) Payments determined in accordance with paragraph (3) with respect to any producer with crop insurance shall be reduced to the extent the amount determined by adding the total amount of crop insurance indemnity payments (gross indemnity less premium paid) received by the producer for the loss of production of each crop of such commodities on the farm and the payment determined in accordance with paragraphs (3) through (5) exceeds the amount determined by multiplying—

(A)(i) the quantity determined by multiplying 100 percent of the farm program payment yield established for each crop of such commodities by (ii) the sum of the acreage of each such crop planted to harvest and the acreage for which prevented planted credit is approved by the Secretary (the total not to exceed the quantity determined in accordance with subparagraph (5)(B)); by

(B) the payment rate for each crop of the commodity.

(7) The total amount of payments made under paragraph (3) to producers on a farm with respect to each crop of such commodities and the total amount of price support loans and purchases (and program benefits for sugar beets and sugar cane) made with respect to such crop on such farm may not exceed the amount determined by multiplying—

(A) The farm program payment yield for the crop of the commodity; by

(B) The sum of (i) the acreage of the crop of the commodity planted for harvest and (ii) the acreage for which prevented planted credit is approved by the Secretary, but for each such crop such sum shall not exceed the quantity determined in accordance with subparagraph (5)(B); by

(C) The payment rate for each crop of the commodity.

(8)(A) For purposes of determining the farm program payment yield, the Secretary shall use the 1986 farm program payment yield established for the crop of the commodity or, if such data is not available, a yield determined by the Secretary to be fair and equitable.

(B) Notwithstanding any other provision of this subsection—

(i) a loss of production of quota peanuts from a farm as otherwise determined under paragraph (5) shall be reduced by the quantity of peanut poundage quota which was the basis of such anticipated production which has been transferred from the farm; and

(ii) payments made under this subsection shall be taken into account whether the lost production for which the loss of production is claimed was a loss of production of quota or additional peanuts and the payment rate shall be established accordingly. Further, notwithstanding any other provision of law, the amount of undermarketings of quota peanuts from a farm for the 1986 crop that may otherwise be claimed under section 358 of the Agricultural Adjustment Act of 1938 for purposes of future quota increases shall be reduced by the quantity of lost production of such peanuts for which payment has been received under this subsection.

(9) The disaster payments required by this section shall be made in the form of generic, negotiable commodity certificates redeemable from stocks of commodities held by the Commodity Credit Corporation.

(b)(1) notwithstanding any other provision of this section for the 1986 crop year, the Secretary of Agriculture shall utilize certificates redeemable from stocks of commodities held by the Commodity Credit Corporation, for the purpose of making disaster payments to producers of nonprogram crops, in counties in which producers became eligible subsequent to July 1, 1986, to receive disaster emergency loans under section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961) as the result of drought, excessive heat, flood, hail, or excessive moisture, and

(2) the Secretary of Agriculture shall make such payments (not to exceed \$100,000 to any individual producer) if the Secretary determines that—

(A) the producer has suffered a substantial loss of production due to drought, excessive heat, flood, hail, or excessive moisture, and

(B) such loss has created an economic emergency for the producer to the extent that additional assistance must be made available to alleviate such economic emergency, and

(c) Within 30 days following the enactment of this Act the Secretary of Agriculture shall issue such rules and regulations as the Secretary determines necessary to carry out the program authorized by subsections (a) and (b) of this section. Such regulations shall provide that the term "nonprogram crops" shall include all crops insured directly or indirectly by the Federal Crop Insurance Corporation for crop year 1986, and in addition—

(1) the term shall include other commercial crops for which such insurance was not available for purchase or, if available, was not purchased by such producers for crop year 1986, if—

(A) in accordance with rules and regulations issued by the Secretary of Agriculture, the producer of such crop(s) provides satisfactory evidence of actual crop yield for at least one of the immediately preceding 3 crop years: *Provided*, That in the event such data does not exist for any of the three preceding crop years the Secretary shall use county average crop yield data; and

(B) that the producer of such crop(s) also provides satisfactory evidence of 1986 crop year losses resulting from drought, excessive heat, flood, excessive moisture, or hail exceeding 50 per centum of the crop yield established in subparagraph (A) of this paragraph, and

(2) that payments made available to producers of such crops shall be based upon the average market prices received by producers of such crops, as determined by the Secretary.

(d)(1) The Secretary shall carry out the program authorized by this proviso through the Commodity Credit Corporation.

(2) Applications for payments made in accordance with this proviso must be filed by January 31, 1987.

(3) Payments made by the Secretary of Agriculture to eligible producers under this section shall be made as soon as practicable but not later than 45 days following the producer's application.

(e)(1) The Secretary of Agriculture shall reduce the amount of funds available for emergency insured and guaranteed loans to meet the needs resulting from natural disasters from funds in the Agricultural Credit Insurance Fund by \$400,000,000.

(2) For purposes of making payments in accordance with this proviso, there is transferred to the Commodity Credit Corporation \$400,000,000 from funds in the Agricultural Credit Insurance Fund.]

[SEC. 634. Notwithstanding any other provision of law, including section 502(c)(2) of the Housing Act of 1949 (42 U.S.C. 1471 et seq.), none of the funds appropriated under this or any other Act shall be used prior to June 30, 1987 to accept prepayment of any loan made under section 515 of the Housing Act of 1949, unless such loan was made at least twenty years prior to the date of prepayment or, for loans made before December 21, 1979, the Secretary makes a determination that a supply of adequate, comparable housing is available in the community, or that prepayment of such loans will not result in a substantial increase in rents to tenants in residence upon date of prepayment or displacement of such tenants.]

[SEC. 635. The Secretary of Agriculture may transfer surplus agricultural commodities from inventory to the Department of Defense for use in complementing support provided by the Department of Defense to the Tenth International Pan American Games to be held in Indianapolis, Indiana.]

[SEC. 636. The Food Security Act of 1985 is amended by inserting at the end thereof the following new sentence: "Effective for each of the 1987 through 1990 crops, the Secretary may not deny a person status as a separate person solely on the ground that a family member cosigns for, or makes a loan to, such person and leases, loans, or gives such person equipment, land or labor, if such family members were organized as separate units prior to December 31, 1985.".]

[SEC. 637. Section 106A(d)(1)(A) of the Agricultural Act of 1949 is amended by—

(1) striking out the parenthetical phrase in clause (i);

(2) inserting "and" at the end of clause (i);

(3) striking out clause (ii); and,

(4) redesignating clause (iii) as clause (ii).

[SEC. 638. (a) Clause (B) of the last sentence of section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking out "for the excess shelter expense deduction contained in clause (2)" and inserting in lieu thereof "contained in clause (1)".

(b)(1) Except as provided in paragraphs (2) and (3), the amendment made by subsection (a) shall become effective 30 days after the date of enactment of this Act.

(2) Except as provided in paragraph (3), the amendment made by subsection (a) shall not apply to an allotment issued to any eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) for any month beginning before the effective date of this subsection.

(3) If a State elected before the date of enactment of this Act to compute household income in accordance with section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) (as amended by subsection (a)), the amendment made by subsection (a) shall become effective on May 1, 1986.]

[SEC. 639. Section 108B(4)(A) of the Agricultural Act of 1949 (7 U.S.C. 1445c-2(4)(A)) is amended by inserting after "additional peanuts" the following: "(other than net gain on additional peanuts in separate type pools established under paragraph (3)(B)(i) for Valencia peanuts produced in New Mexico)".]

[SEC. 640. Section 623B(b)(2) of the Community Economic Development Act of 1981 is amended by adding at the end thereof the following new sentence: "Notwithstanding any other provision of law, any Utah or Ohio local public body to which a loan was made after December 31, 1982, from the Rural Development Loan Fund may, at the discretion of such local public body and with the approval of the Secretary of Health and Human Services, transfer such loan to a nonprofit corporation designated by such body to serve as an intermediate borrower and to carry out the purpose of the loan."]

[SEC. 641. (a) Section 1323(a)(1) of the Food Security Act of 1985 is amended by striking out "September 30, 1986," and inserting in lieu thereof "September 30, 1987," and

(b) Section 1323(a) is further amended by adding at the end thereof a new subsection—

"(5) Notwithstanding any provision to the contrary of subsection (4) above, the \$20,000,000 which was available pursuant to subsection (4) shall continue to be available and shall be used by the Secretary prior to September 30, 1987, to guarantee loans for the national rural development and finance program and shall remain available until expended."

and,

(c) Section 1323(b)(1) of such Act is amended by striking out "September 30, 1986," and inserting in lieu thereof "September 30, 1987," and inserting the words "made or to be" after the word "guarantees": *Provided further*, That such grant funds may be used by such corporation to provide technical assistance and financial assistance, including capitalizing revolving loan programs, pursuant to the Act.】

【Sec. 642. During the fiscal year 1987, the Commodity Credit Corporation shall use \$500,000 worth of surplus agricultural commodities owned by the Corporation in establishing and carrying out a research and development program on external combustion engines under section 4(m) of the Commodity Credit Corporation Charter Act. In addition to any sales required under any other Act, the Secretary of Agriculture, under such terms as the Secretary may prescribe, shall sell notes and other obligations held in the Rural Development Insurance Fund established under section 309A of the Consolidated Farm and Rural Development Act in such amounts as to realize net proceeds to the Government of not less than \$500,000.】

【Sec. 643. Section 1231 of the Food Security Act of 1985 is amended by adding at the end thereof the following new subsection:

"(f) For purposes of this subtitle, alfalfa and other multi-year grasses and legumes in a rotation practice, as approved by the Secretary, shall be considered agricultural commodities."】

【Sec. 644. Paragraph (16) of section 103(h) of the Agricultural Act of 1949 (7 U.S.C. 1444(h)(16)) is amended to read as follows:

"(16)(A) Notwithstanding any other provision of law, except as provided in subparagraph (B), compliance on a farm with the terms and conditions of any other commodity program may not be required as a condition of eligibility for loans or payments under this subsection.

"(B) In the case of each of the 1989 and 1990 crops of extra long staple cotton, the Secretary may require that, as a condition of eligibility of producers for loans or payments under this subsection, the acreage planted for harvest on the farm to any other commodity for which an acreage limitation program is in effect shall not exceed the crop acreage base established for the farm for that commodity.

"(C) Notwithstanding any other provision of law, in the case of each of the 1987 and 1988 crops of extra long staple cotton, compliance with the terms and conditions of the program authorized by this subsection may not be required as a condition of eligibility for loans, purchases, or payments under any other commodity program."】

【Sec. 645. The fifth paragraph of section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) (as amended by section 3 of Public Law 99-253 (100 Stat. 36)) is amended—

(1) by inserting after the third sentence the following new sentence: "Notwithstanding the preceding sentence, there may be 1 local administrative area in any county for which there had been established less than 3 local administrative areas as of December 23, 1985."; and

(2) in the sixth sentence (as it existed before the amendment made by paragraph (1)), by striking out "*Provided*," and all that follows through the period and inserting in lieu thereof a period.】

【Sec. 646. (1) It is the sense of the Senate that the Secretary of Agriculture should make available not less than \$10,000,000 worth of flour and cornmeal using the wheat and cornstocks of the Commodity Credit Corporation. Such flour and cornmeal shall be in addition to the traditional level of assistance made available under section 1114 of the Agriculture and Food Act of 1981, section 416(a) of the Agricultural Act of 1949, section 4 of the Agriculture and Consumer Protection Act of 1973, and any other provision of law administered by the Secretary.

(2)(a) During the three-year period beginning with the fiscal year ending September 30, 1987, through the fiscal year ending September 30, 1989, the Secretary of Agriculture shall make available to PVO's and cooperatives and to governments a total of at least 500,000 metric tons of wheat, 500,000 metric tons of soybeans, and 50 million pounds of dairy products under paragraph (11)(B) of section 416(b) of the Agricultural Act of 1949, notwithstanding paragraph (11)(c) of section 416(b) of such Act.

(b) Commodities made available under this section during any fiscal year shall be—

(1) subject to the agreement of recipient nations—

(A) to acquire through commercial arrangements agricultural commodities directly or by private purchases during the fiscal year in an amount equal to 105 percent of the average amount of such agricultural commodities acquired through commercial arrangements during the 3 preceding years.

(B) to permit the sale of commodities furnished under this section in the recipient nation and to use the local currency generated from such sales—

(i) by PVO's and cooperatives to carry out approved programs of assistance in the recipient nation;

(ii) to operate lending programs in the manner provided for in section 108 of Public Law 480; and

(iii) to reimburse the United States in dollars for costs incurred in furnishing such commodities, including transportation and processing, during the same fiscal year in which such costs were incurred. Reimbursements under this paragraph may be made in local currencies generated from the sale of the commodities under this paragraph if they are used to pay expenses of the United States in the recipient nation.

(2) No greater than such amounts as is requested by recipient nations.

(c) To the extent practicable, commodities made available under this section shall be furnished in equal quantities during each of these fiscal years.

(d) It is the sense of Congress that commodities provided for in this subsection be made available to PVO's and cooperatives operating in the Republic of the Philippines, and the government of the Philippines.

(3)(a) During the three-year period beginning with the fiscal year ending September 30, 1987, through the fiscal year ending September 30, 1989, the Secretary of Agriculture shall make available to the friendly countries, under paragraph (b)(11)(A) of section 416 of the Agricultural Act of 1949, at least 500,000 metric tons of wheat and 45 million pounds of dairy products, notwithstanding paragraph (11)(c) of section 416(b) of such Act.

(b) Commodities made available to a nation under this section during any fiscal year shall be—

(1) subject to the agreement of the Nation—

(A) to acquire through commercial arrangements agricultural commodities directly or by private purchases during the fiscal year in an amount equal to 105 percent of the average amount of such agricultural commodities acquired through commercial arrangements during the preceding three years.

(B) to sell any commodities furnished under this section within the nation and to use the local currencies generated from such sales to (i) establish and carry out lending programs in such nations in the manner provided for in section 108 of the Agricultural Trade Development and Assistance Act of 1954 and (ii) reimburse the United States in dollars for costs incurred in furnishing such commodities, including transportation and processing, in the same fiscal year in which such costs were incurred. Reimbursements under this paragraph may be made in local currencies generated from the sale of the commodities under paragraph (2) if they are used to pay expenses of the United States in the recipient Nation.

(2) No greater than such amounts as is requested by such governments.

(c) To the extent practicable, commodities made available under this section shall be furnished in equal quantities during each of the three fiscal years.

(d) For purposes of this section, the term "friendly countries" shall have the same meaning as that term has under the Agricultural Trade Development and Assistance Act of 1954.

(e) It is the sense of Congress that commodities provided for in this subsection be made available to the Philippines and friendly countries of Africa.

(4)(a) During the three-year period beginning with the fiscal year ending September 30, 1987, through the fiscal year ending September 30, 1989, the Secretary of Agriculture shall make available to PVO's cooperatives and governments, 460,000 metric tons of wheat, 137 million pounds of dairy products, and 180,000 metric tons of soybeans; under paragraph (11)(B) of section 416(b) of the Agricultural Act of 1949, notwithstanding paragraph (11)(C) of section 416(b) of such Act.

(b) Commodities made available to a nation, or PVO's and cooperatives operating in such nation, under this section during any fiscal year shall be—

(1) subject to the agreement of the nation—

(A) to acquire through commercial arrangements agricultural commodities directly or by private purchases during the fiscal year in an amount equal to 105 percent of the average amount of such agricultural commodities acquired through commercial arrangements during the preceding three years;

(B) to permit the sale of commodities furnished under this section within the nation and to use the local currencies generated from such sales (i) by PVO's and cooperatives to carry out approved programs of assistance in the country and (ii) to operate lending programs in the manner provided for in section 108 of Public Law 480; and

(C) to reimburse the United States in dollars for costs incurred in furnishing such commodities, including transportation and processing, in the same fiscal year in which such costs were incurred. Reimbursements under this paragraph may be made in local currencies generated from the sale of the commodities under paragraph (2) if they are used to pay expenses of the United States in the recipient nation.

(2) No greater than such amounts as is requested by such government.

(c) To the extent practicable, commodities made available under this section shall be furnished in equal quantities during each of the three fiscal years.

(d) For purposes of this section, the term "friendly countries" shall have the same meaning as that term has under the Agricultural Trade Development and Assistance Act of 1954.

(e) It is the sense of Congress that of the commodities made available under this subsection—

(1) 400,000 metric tons of wheat, 80 million pounds of dairy products and 180,000 metric tons of soybeans be made available to Nigeria;

(2) 1 million metric tons of wheat be made available to friendly countries in Africa, other than Nigeria;

(3) 30,000 metric tons of soybeans, and 50 million pounds of dairy products be made available to India; and

(4) 60,000 metric tons of wheat and 7 million pounds of dairy products be made available to Bangladesh.】 (*Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

COMMODITY FUTURES TRADING COMMISSION

Federal Funds

General and special funds:

COMMODITY FUTURES TRADING COMMISSION

For necessary expenses to carry out the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1 et seq.), including the purchase and hire of passenger motor vehicles; the rental of space (to include multiple year leases) in the District of Columbia and elsewhere; and not to exceed \$25,000 for employment under 5 U.S.C. 3109; [\$29,761,000] \$32,813,000; including not to exceed \$700 for official reception and representation expenses. (Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).)

Program and Financing (in thousands of dollars)

Identification code	95-1400-0-1-376	1986 actual	1987 est.	1988 est.
Program by activities:				
Direct program:				
00.01	Market surveillance, analysis, and research	7,473	7,855	8,586
00.02	Enforcement	10,346	11,326	12,863
00.03	Contract markets, audit and oversight	7,823	8,216	8,831
00.04	Proceedings	2,341	2,364	2,533
00.91	Total direct program	27,983	29,761	32,813
01.01	Reimbursable program		20	20
10.00	Total obligations	27,983	29,781	32,833
Financing:				
11.00	Offsetting collections from: Federal funds		-20	-20
40.00	Budget authority (appropriation)	27,983	29,761	32,813
Relation of obligations to outlays:				
71.00	Obligations incurred, net	27,983	29,761	32,813
72.40	Obligated balance, start of year	3,546	3,764	3,865
74.40	Obligated balance, end of year	-3,764	-3,865	-3,977
77.00	Adjustments in expired accounts	110		
90.00	Outlays	27,875	29,660	32,701

The Commodity Futures Trading Commission (CFTC) administers the Commodity Exchange Act of 1936, as amended. The purpose of the CFTC is to further the economic utility of the futures markets by encouraging their efficiency, assuring their integrity, and protecting participants against abusive trade practices, fraud, and deceit. The object of commodity futures trading regulation is to enable the markets to better serve their designated functions of providing a price discovery mechanism and a means of offsetting price risk. By properly serving these functions, the futures markets serve the public interest by contributing toward better planning, more efficient distribution and consumption, and more economical marketing.

Market surveillance, analysis and research.—Responsibilities under this program include daily surveillance of the market activity of large individual traders and fundamental economic market factors to insure orderly markets. Contract terms and conditions are reviewed to insure conformity with current cash marketing conditions and adequate deliverable supplies. This program also systematically investigates the functioning of markets and market users and develops better tools to assist in detecting and preventing price distortions.

	1986 actual	1987 est.	1988 est.
Trader and broker reports analyzed (thousands)	595	700	800
Weekly surveillance sheets analyzed	2,099	2,200	2,400
Economic review of futures contract rule changes completed	64	68	68
Economic review of new futures contracts completed	22	22	22
Economic review of option rule changes completed	21	22	22
New options contract reviews completed	14	16	16

Enforcement.—The enforcement program is responsible for detecting, investigating, and litigating violations of the Act or regulations. These violations may include actual and attempted market manipulations, cheating and defrauding customers, and abusive trading practices such as fictitious trading, wash trading, and prearranged trading. This program may seek redress through the administrative process or by injunctive actions in the Federal Courts.

	1986 actual	1987 est.	1988 est.
Investigations:			
Open	70	75	80
Closed	86	92	98
Cases:			
Open	56	60	64
Closed	64	69	73

Registration, audits, and contract markets.—This program prevents misuse of customers' funds by futures commission merchants; assures that the rules and practices of the contract markets are in compliance with the provisions of the Commodity Exchange Act and the rules of the Commission; and performs an oversight role of the National Futures Association's registration of individuals and firms under provisions of the act.

	1986 actual	1987 est.	1988 est.
Audits and financial inspections of futures commission merchants	39	40	40
Contract market rules reviewed	1,298	1,300	1,300
Financial examinations of commodity pool operators	48	20	20
Registrations	1,278	300	300
Contract market rule enforcement reviews completed	7	6	6
Trade practice investigations completed	46	50	50
Self-Regulatory Organization: Financial rule enforcement reviews ..	6	6	6

Proceedings.—The proceedings program provides a forum for resolution of customer complaints against persons or firms registered under the Commodity Exchange Act.

	1986 actual	1987 est.	1988 est.
Reparations:			
Received and docketed	303	350	350
Dismissed	38	40	40
Referred for hearing	325	350	320
Pending	104	116	106

Object Classification (in thousands of dollars)

Identification code	95-1400-0-1-376	1986 actual	1987 est.	1988 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	16,309	17,696	18,608
11.3	Other than full-time permanent	690	711	752
11.5	Other personnel compensation	433	427	427
11.8	Special personal services payments	2	3	3
11.9	Total personnel compensation	17,434	18,837	19,790
12.1	Personnel benefits: Civilian	1,938	2,467	3,709
13.0	Benefits for former personnel	24	24	
21.0	Travel and transportation of persons	566	662	711
22.0	Transportation of things	19	23	23
23.2	Rental payments to others	2,814	3,918	4,306
23.3	Communications, utilities, and miscellaneous charges ..	1,337	1,334	1,334
24.0	Printing and reproduction	165	196	196
25.0	Other services	1,697	1,239	1,329
26.0	Supplies and materials	401	413	413
31.0	Equipment	1,588	648	1,002
99.0	Subtotal, direct obligations	27,983	29,761	32,813
99.0	Reimbursable obligations		20	20
99.9	Total obligations	27,983	29,781	32,833

Personnel Summary

Total number of full-time permanent positions.....	490	520	530
Total compensable workyears:			
Full-time equivalent employment	480	508	518
Full-time equivalent of overtime and holiday hours	9	9	9

COMMUNITY SERVICES ADMINISTRATION

Federal Funds

General and special funds:

COMMUNITY SERVICES PROGRAM

Program and Financing (in thousands of dollars)

Identification code 81-0500-0-1-506	1986 actual	1987 est.	1988 est.
Program by activities:			
10.00 Total obligations			
Financing:			
21.40 Unobligated balance available, start of year	-659		
25.00 Unobligated balance withdrawn	659		
39.00 Budget authority			
Relation of obligations to outlays:			
71.00 Obligations incurred, net			
72.10 Receivables in excess of obligations, start of year		-11,997	-5,000
72.40 Obligated balance, start of year	3,660		
74.10 Receivables in excess of obligations, end of year	11,997	5,000	
77.00 Adjustments in expired accounts	-17,834	4,997	4,000
90.00 Outlays	-2,177	-2,000	-1,000

These funds represent closeout of obligations made by the Community Services Administration prior to 1982.

CONSUMER PRODUCT SAFETY COMMISSION

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For necessary expenses of the Consumer Product Safety Commission, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18, and not to exceed \$500 for official reception and representation expenses, **[\$34,100,000]** **\$34,400,000**; *Provided*, That no more than **[\$250,000]** **\$286,000** of these funds shall be available for personnel compensation and benefits for the Commissioners of the Consumer Product Safety Commission appointed pursuant to 15 U.S.C. 2053 **[:** *Provided further*, That none of these funds shall be available after August 31, 1987, for any Commissioners' offices located in the Logan Building].

Note.—Public Laws 99-500 and 99-591, section 101(g), provide funds to the extent and in the manner provided for in the conference version of H.R. 5313, Department of Housing and Urban Development-Independent Agencies Appropriations Act, 1987.

Program and Financing (in thousands of dollars)

Identification code 61-0100-0-1-554	1986 actual	1987 est.	1988 est.
Program by activities:			
Direct program:			
00.01 Hazard identification and analysis	4,546	4,914	4,916
00.02 Hazard assessment and reduction	9,207	8,691	7,400
00.03 Compliance and enforcement	8,639	9,761	10,280
00.04 Consumer information	3,160	3,356	3,544
00.05 Agency management	8,668	7,874	8,260
00.91 Total direct program	34,220	34,596	34,400
01.01 Reimbursable program	431	798	754
10.00 Total obligations	34,651	35,394	35,154
Financing:			
Offsetting collections from:			
11.00 Federal funds	-428	-793	-749

14.00 Non-Federal sources	-3	-5	-5
21.40 Unobligated balance available, start of year	-45		
25.00 Unobligated balance lapsing	277		
39.00 Budget authority	34,452	34,596	34,400
Budget authority:			
40.00 Appropriation	34,452	34,100	34,400
44.40 Supplemental for retirement contributions (P.L. 99-335)		496	
Relation of obligations to outlays:			
71.00 Obligations incurred, net	34,220	34,596	34,400
72.40 Obligated balance, start of year	7,624	7,016	7,023
74.40 Obligated balance, end of year	-7,016	-7,023	-7,043
77.00 Adjustments in expired accounts	-74		
89.00 Outlays	34,754	34,589	34,380
Outlays:			
90.00 Outlays, excluding retirement contribution supplemental	34,754	34,118	34,355
91.40 Outlays from retirement contribution supplemental		471	25

Product safety and enforcement.—The Commission addresses a number of product safety areas. These include fire and thermal burn hazards, electrical hazards, acute and chronic chemical hazards, children's and recreational product hazards, power equipment hazards, and household structural products hazards. In each program area, the Commission undertakes a wide spectrum of activities, including data collection, voluntary and mandatory standard development, enforcement, and information dissemination.

Object Classification (in thousands of dollars)

Identification code 61-0100-0-1-554	1986 actual	1987 est.	1988 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	19,154	18,569	18,475
11.3 Other than full-time permanent	1,270	1,231	1,251
11.5 Other personnel compensation	216	209	212
11.8 Special personal services payments	105	63	63
11.9 Total personnel compensation	20,745	20,072	20,001
12.1 Personnel benefits: Civilian	2,297	2,856	3,803
13.0 Benefits for former personnel	51	65	65
21.0 Travel and transportation of persons	528	750	725
22.0 Transportation of things	23	33	28
23.1 Rental payments to GSA	2,206	2,164	2,333
23.2 Rental payments to others	28	35	35
23.3 Communications, utilities, and miscellaneous charges	1,647	1,892	1,760
24.0 Printing and reproduction	462	504	522
25.0 Other services	5,352	5,534	4,639
26.0 Supplies and materials	393	383	334
31.0 Equipment	488	303	150
42.0 Insurance claims and indemnities		5	5
99.0 Subtotal, direct obligations	34,220	34,596	34,400
99.0 Reimbursable obligations	431	798	754
99.9 Total obligations	34,651	35,394	35,154

Personnel Summary

Direct:			
Total number of full-time permanent positions	475	478	478
Total compensable workyears:			
Full-time equivalent employment	556	540	532
Full-time equivalent of overtime and holiday hours	4	4	4
Reimbursable:			
Total number of full-time permanent positions	1	1	1
Total compensable workyears: Full-time equivalent employment	1	1	1

OTHER INDEPENDENT AGENCIES

FARM CREDIT ADMINISTRATION
Federal Funds

I-Z17

Transactions: Net operating income	-343,131	-597,800	-638,100
Closing balance	762,421	164,621	-473,479
Total Government equity (end of year)	1,762,421	1,164,621	526,521

Object Classification (in thousands of dollars)

Identification code 83-4027-0-3-155	1986 actual	1987 est.	1988 est.
25.0 Other services	544	698	703
31.0 Equipment	233	700	700
33.0 Investments and loans	683,977	900,000	1,000,000
42.0 Insurance claims and indemnities	51,835	24,600	26,900
43.0 Interest and dividends	1,778,076	1,540,423	1,335,597
93.0 Administrative expenses (see separate schedule)	17,447	18,756	20,668
99.9 Total obligations	2,532,112	2,485,177	2,384,568

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed \$18,371,500 \$20,668,000 (to be computed on an accrual basis) shall be available during fiscal year [1987] 1988 for administrative expenses, including hire of passenger motor vehicles and services as authorized by section 3109 of title 5, United States Code, and not to exceed \$16,000 \$18,000 for official reception and representation expenses for members of the Board of Directors: *Provided*, That (1) fees or dues to international organizations of credit institutions engaged in financing foreign trade, (2) necessary expenses (including special services performed on a contract or a fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Export-Import Bank or in which it has an interest, including expenses of collections of pledged collateral, or the investigation or appraisal of any property in respect to which an application for a loan has been made, and (3) expenses (other than internal expenses of the Export-Import Bank) incurred in connection with the issuance and servicing of guarantees, insurance, and reinsurance, shall be considered as nonadministrative expenses for the purposes of this heading. (*Foreign Assistance and Related Programs Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(f).*)

Program and Financing (in thousands of dollars)

	1986 actual	1987 est.	1988 est.
Program by activity:			
Administration (total obligations)	17,447	18,756	20,668
Financing:			
Unobligated balance lapsing	121		
Limitation	17,568	18,372	20,668
Supplemental for retirement contributions (P.L. 99-335)		227	
Transfers in for civilian pay raises		157	
Relation of obligations to outlays:			
Obligations incurred, net	17,192	18,981	20,388
Obligated balance, start of year	1,519	1,264	1,489
Obligated balance, end of year	-1,264	-1,489	-1,209
Outlays from limitations	17,447	18,756	20,668

Object Classification (in thousands of dollars)

Identification code 83-4027-0-3-155	1986 actual	1987 est.	1988 est.
Personnel compensation:			
11.1 Full-time permanent	11,173	11,167	12,287
11.3 Other than full-time permanent	537	539	555
11.5 Other personnel compensation	-29	422	413
11.9 Total personnel compensation	11,681	12,128	13,255
12.1 Personnel benefits: Civilian	1,454	1,638	2,423
21.0 Travel and transportation of persons	283	460	360
22.0 Transportation of things	28	34	34
23.1 Rental payments to GSA	1,907	1,801	2,108
23.2 Rental payments to others	597	582	610
23.3 Communications, utilities, and miscellaneous charges	615	654	660
24.0 Printing and reproduction	177	167	164

25.0 Other services	490	946	754
26.0 Supplies and materials	215	346	300
93.0 Administrative expenses included in schedule for fund as a whole	-17,447	-18,756	-20,668
99.9 Total administrative expenses			

Personnel Summary

Total number of full-time permanent positions	307	320	326
Total compensable workyears:			
Full-time equivalent employment	326	339	345
Full-time equivalent of overtime and holiday hours	2	3	3

FARM CREDIT ADMINISTRATION

Federal Funds

Public enterprise funds:

LIMITATION ON REVOLVING FUND FOR ADMINISTRATIVE EXPENSES

Not to exceed \$39,420,000 (from assessments collected from farm credit system banks) shall be obligated during the current fiscal year for administrative expenses as authorized under 12 U.S.C. 2249. (*Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(a).*)

Program and Financing (in thousands of dollars)

Identification code 78-4131-0-3-351	1986 actual	1987 est.	1988 est.
Program by activities:			
10.00 Total obligations	21,855	38,099	39,420
Financing:			
14.00 Offsetting collections from: Non-Federal sources	-33,327	-31,682	-39,420
Unobligated balance available, start of year: Fund balance:			
21.98 Unreserved	-827	-6,417	
21.98 Reserved	-5,294	-9,855	-9,855
Unobligated balance available, end of year: Fund balance:			
24.98 Unreserved	6,417		
24.98 Reserved	9,855	9,855	9,855
27.00 Reduction pursuant to P.L. 99-177 in resources derived from offsetting collections	1,321		
39.00 Budget authority			
Limitation	23,176	39,420	39,420
Relation of obligations to outlays:			
71.00 Obligations incurred, net	-11,472	6,417	
72.10 Receivables in excess of obligations, start of year	-169	-3,816	-3,816
74.10 Receivables in excess of obligations, end of year	3,816	3,816	3,816
90.00 Outlays	-7,825	6,417	

The Farm Credit Administration examines and regulates a coordinated agricultural credit system of farm credit banks and associations which lend to farmers, ranchers and their cooperatives.

The System is comprised of 12 Federal land banks, 12 Federal intermediate credit banks, 13 Banks for cooperatives, the Farm Credit System Capital Corporation, various System service organizations and approximately 370 Federal land bank associations and production credit associations.

Assessments based upon estimated administrative expenses are collected from institutions in the Farm Credit System and are available for administrative expenses. Obligations are incurred within fiscal year budgets approved by the Farm Credit Administration Board.

Public enterprise funds—Continued

LIMITATION ON REVOLVING FUND FOR ADMINISTRATIVE EXPENSES—
Continued

Revenue and Expense (in thousands of dollars)

	1986 actual	1987 est.	1988 est.
Operating income or loss:			
Revenue.....	30,914	39,420	39,420
Expense.....	-22,364	-39,420	-39,420
Net income for the year.....	8,550		

Financial Condition (in thousands of dollars)

	1985 actual	1986 actual	1987 est.	1988 est.
Assets:				
Fund balance with Treasury.....	5,952	13,777	6,039	6,039
Accounts receivable (net).....	4,300	9,085	9,085	9,085
Advances made.....	223	503	503	503
Total assets.....	10,475	23,365	15,627	15,627
Liabilities:				
Accounts payable including funded accrued liabilities.....	3,226	3,831	3,831	3,831
Advances from the public.....	5,294	9,855	9,855	9,855
Total liabilities.....	8,520	13,686	13,686	13,686
Government equity:				
Unexpended balances:				
Unobligated balance:				
Unreserved.....	827	6,417		
Reserved.....	5,294	9,855	9,855	9,855
Undelivered orders.....	1,128	1,941	1,941	1,941
Unfilled customers' orders.....	-5,294	-9,855	-9,855	-9,855
Total Government equity.....	1,955	8,358	1,941	1,941
Analysis of changes in Government equity:				
Retained income:				
Opening balance.....	1,955	8,358	1,941	
Transactions: Net operating income.....	7,229			
Refund of prior period assessments ¹	-827	-6,417		
Closing balance.....	8,358	1,941	1,941	
Total Government equity (end of year).....	8,358	1,941	1,941	

¹ Amounts of refunds in future years will be reflected as reductions in total obligations.

Object Classification (in thousands of dollars)

Identification code 78-4131-0-3-351	1986 actual	1987 est.	1988 est.
Personnel compensation:			
11.1 Full-time permanent.....	12,028	19,371	19,812
11.3 Other than full-time permanent.....	587	468	477
11.5 Other personnel compensation.....	241	559	374
11.8 Special personal services payments.....	163	452	462
11.9 Total personnel compensation.....	13,019	20,850	21,125
12.1 Personnel benefits: Civilian.....	1,961	4,672	5,385
13.0 Benefits for former personnel.....	28		
21.0 Travel and transportation of persons.....	1,892	6,426	6,285
22.0 Transportation of things.....	249	606	503
23.3 Communications, utilities, and miscellaneous charges.....	1,064	954	1,025
24.0 Printing and reproduction.....	275	341	372
25.0 Other services.....	1,365	2,679	3,417
26.0 Supplies and materials.....	559	716	790
31.0 Equipment.....	1,443	855	518
99.9 Total obligations.....	21,855	38,099	39,420

Personnel Summary

Total number of full-time permanent positions.....	484	573	577
Total compensable workyears:			
Full-time equivalent employment.....	353	596	600
Full-time equivalent of overtime and holiday hours.....	3	4	4

CAPITAL CORPORATION INVESTMENT FUND

Program and Financing (in thousands of dollars)

Identification code 78-4136-0-3-351	1986 actual	1987 est.	1988 est.
Financing:			
21.98 Unobligated balance available, start of year: Fund balance.....	-259,799	-259,799	-259,799
24.98 Unobligated balance available, end of year: Fund balance.....	259,799	259,799	259,799
39.00 Budget authority.....			
Relation of obligations to outlays:			
71.00 Obligations incurred, net.....			
90.00 Outlays.....			

The Farm Credit Amendments Act of 1985 merges the Banks for Cooperatives fund and the short-term credit investment fund, and makes available to the Farm Credit Administration this fund for the purchase, on behalf of the United States, of capital stock and other objections of the Farm Credit System Capital Corporation.

FEDERAL COMMUNICATIONS COMMISSION

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For necessary expenses of the Federal Communications Commission, as authorized by law, including uniforms and allowances therefor, as authorized by law (5 U.S.C. 5901-02); not to exceed [\$700,000] \$300,000 for land and structures; not to exceed [\$200,000] \$300,000 for improvement and care of grounds and repair to buildings; not to exceed [\$3,000] \$4,000 for official reception and representation expenses; purchase (not to exceed ten) and hire of motor vehicles; special counsel fees; and services as authorized by 5 U.S.C. 3109; [\$95,000,000] \$107,250,000, of which not to exceed \$300,000 of the foregoing amount shall remain available until September 30, [1988] 1989, for research and policy studies: *Provided*, That notwithstanding any other provision of law, the Federal Communications Commission, during fiscal year 1987, may recover the costs incurred to assess and collect charges authorized by section 5002 of Public Law 99-272 from receipts generated by such charges: *Provided further*, That none of the funds appropriated to the Federal Communications Commission by this Act may be used to diminish the number of VHF channel assignments reserved for non-commercial educational television stations in the Television Table of Assignments (section 73.606 of title 47, Code of Federal Regulations): *Provided further*, That funds appropriated to the Federal Communications Commission by this Act shall be used to consider alternative means of administration and enforcement of the Fairness Doctrine and to report to the Congress by September 30, 1987. (Public Law 99-272; Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(b); additional authorizing legislation to be proposed.)

Program and Financing (in thousands of dollars)

Identification code 27-0100-0-1-376	1986 actual	1987 est.	1988 est.
Program by activities:			
Direct program:			
00.01 Commissioners.....	2,028	2,451	2,669
00.02 Mass media.....	18,156	19,521	21,530
00.03 Common carrier.....	17,404	18,525	20,424
00.04 Private radio.....	8,112	9,480	10,755
00.05 Field operations.....	19,068	23,994	22,424
00.06 Science and technology.....	5,280	5,869	6,344
00.07 Support.....	20,788	22,170	23,104
00.91 Total direct program.....	90,836	102,010	107,250
01.01 Reimbursable program.....	522	550	550
10.00 Total obligations.....	91,358	102,560	107,800

EXPLANATION OF REQUESTS

This part contains supplemental appropriations requests for 1987 being proposed for congressional consideration in this budget. Requests for supplemental appropriations are usually made after enactment of regular appropriations. In cases where programs are funded under a continuing resolution, some requests are included to supplement the funding available under the resolution. Information is also included on proposals to rescind budget authority and to rescind or otherwise reduce the availability of other budgetary resources.

PROPOSED SUPPLEMENTAL REQUESTS

Supplemental requests are shown as separate sections.

Section I.—Supplementals proposed in this budget for various purposes are presented in this section and usually include: suggested appropriation language, the related budget schedules, and the reasons for the requests. In some cases, language is proposed to reduce mandatory program levels (entitlements, for example) included in authorizing legislation. In such cases, separate budget schedules are not shown, but the reduced funding levels that would result are reflected in the regular budget schedules for the account in Part I. Language is also included to propose reductions in enacted direct loan and guaranteed loan limitations. A status of direct loans or status of guaranteed loans schedule will

show the changes in credit activity resulting from the lower limitation.

Section II.—Requests for pay supplementals in this section are in the form of suggested appropriations language. The amounts contained in the appropriations language also appear as separate line entries in the regular program and financing schedules in Part I.

Section III.—Requests for supplementals for increased retirement contributions due to enactment of the Federal Employees' Retirement System (FERS) Act of 1986, Public Law 99-335, are shown in the same manner as pay supplementals. Proposed appropriations language for the FERS requests is presented in this section and the amounts requested are identified on separate line entries in the Part I program and financing schedules.

RESCISSION PROPOSALS

Section IV.—Under the provisions of the Impoundment Control Act of 1974 (Public Law 93-344), whenever the President proposes rescission of enacted appropriations, a special message must be sent to the Congress giving details of the proposal. Included in this part—for rescission proposals being made in conjunction with this budget—are related budget schedules, references to the special message being sent to the Congress, and explanations of the proposals.

PROPOSED SUPPLEMENTALS AND RESCISSION PROPOSALS

SUMMARY OF PROPOSED SUPPLEMENTALS AND RESCISSION PROPOSALS

1987 requests			1987 requests		
	1987 budget authority	Associated requests not affecting budget authority		1987 budget authority	Associated requests not affecting budget authority
PROPOSED SUPPLEMENTAL ACTIONS			SECTION II—INCREASED PAY COSTS FOR THE FISCAL YEAR 1987—Continued		
SECTION I—PROPOSED SUPPLEMENTAL APPROPRIATIONS FOR VARIOUS PROGRAMS [EXCLUDING REQUESTS FOR INCREASED PAY AND RETIREMENT CONTRIBUTION COSTS]			Other independent agencies.....	9,836,000	
Legislative branch.....	16,363,000		Total, Section II.....	196,150,000	115,049,000
The Judiciary.....	62,000,000				
Funds Appropriated to the President.....	1,150,847,000		SECTION III—INCREASED COSTS FOR RETIREMENT CONTRIBUTIONS (P.L. 99-335)		
Department of Agriculture.....	-1,769,084,000		Legislative branch.....	54,494,000	
Department of Commerce.....	38,520,000		The Judiciary.....	11,277,000	
Department of Defense—Military.....	2,792,600,000		Executive Office of the President.....	1,635,000	
Department of Defense—Civil.....		transfer language	Funds Appropriated to the President.....	6,241,000	
Department of Education.....		-6,000,000	Department of Agriculture.....		31,079,000
Department of Health and Human Services.....	382,404,000	-33,583,000	Department of Commerce.....	15,130,000	
Department of Housing and Urban Development.....	-5,393,000		Department of Defense—Military.....	564,585,000	
Department of the Interior.....	22,431,000		Department of Defense—Civil.....	74,000	1,978,000
Department of Justice.....	205,530,000		Department of Energy.....		transfer language
Department of Labor.....	-79,177,000	-90,000,000	Department of Health and Human Services.....		9,083,000
Department of State.....	95,950,000		Department of the Interior.....		701,000
Department of Transportation.....	86,717,000	86,000,000	Department of Justice.....	68,651,000	
Department of the Treasury.....	93,800,000		Department of Labor.....	494,000	1,659,000
General Services Administration.....		language	Department of State.....	16,734,000	
Small Business Administration.....	4,116,000		Department of Transportation.....		12,139,000
Veterans Administration.....	80,200,000		Department of the Treasury.....	122,027,000	
Other independent agencies.....	122,639,000		Environmental Protection Agency.....		10,000,000
Total, Section I.....	3,300,463,000	-43,583,000	National Aeronautics and Space Administration.....		16,557,000
			Small Business Administration.....		2,400,000
			Veterans Administration.....	142,211,000	
			Other independent agencies.....	15,210,000	
			Total, Section III.....	1,018,763,000	85,596,000
SECTION II—INCREASED PAY COSTS FOR THE FISCAL YEAR 1987			SECTION IV—RESCISSION PROPOSALS		
Legislative branch.....	33,928,000		Department of Agriculture.....	-475,207,000	-20,845,000
The Judiciary.....	16,960,000		Department of Commerce.....	-215,066,000	-44,157,000
Executive Office of the President.....	743,000		Department of Defense—Military.....	-133,750,000	
Funds Appropriated to the President.....	2,617,000		Department of Defense—Civil.....		-7,715,000
Department of Agriculture.....		30,177,000	Department of Education.....	-2,476,422,000	-4,427,000
Department of Commerce.....		transfer language	Department of Energy.....	-210,197,000	
Department of Defense—Military.....	12,703,000		Department of Health and Human Services.....	-199,671,000	-31,744,000
Department of Defense—Civil.....		2,354,000	Department of Housing and Urban Development.....	-1,066,455,000	-42,100,000
Department of Energy.....		transfer language	Department of the Interior.....	-302,737,000	
Department of Health and Human Services.....	2,200,000	18,306,000	Department of Justice.....	-24,598,000	
Department of the Interior.....		642,000	Department of Labor.....	-332,000,000	
Department of Justice.....	29,476,000		Department of the Treasury.....	-62,395,000	
Department of Labor.....	708,000		Environmental Protection Agency.....	-50,000,000	
Department of State.....	6,900,000		National Aeronautics and Space Administration.....	-25,796,000	
Department of Transportation.....		24,293,000	Veterans Administration.....	-75,000,000	
Department of the Treasury.....	2,789,000		Other independent agencies.....	-35,468,000	
Environmental Protection Agency.....		12,400,000	Total, Section IV.....	-5,684,762,000	-150,989,000
National Aeronautics and Space Administration.....		24,877,000	Grand total.....	-1,169,386,000	141,541,000
Small Business Administration.....		2,000,000			
Veterans Administration.....	77,290,000				

CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND—Continued

Program and Financing (in thousands of dollars)

Identification code	11-0079-1-1-151	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 33.0)		36,639	
Financing:				
40.00	Budget authority (appropriation)		36,639	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		36,639	
72.40	Obligated balance, start of year			36,639
74.40	Obligated balance, end of year		-36,639	-36,639
90.00	Outlays			

This supplemental appropriation would provide funds to complete the second installment on the United States contribution to the fourth replenishment of the African Development Fund.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT BANK
(Supplemental now requested, existing legislation)

For payment to the African Development Bank by the Secretary of the Treasury, \$6,492,127, for the United States share of the increase in subscriptions to capital stock, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the African Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed \$17,375,058.

Program and Financing (in thousands of dollars)

Identification code	11-0082-1-1-151	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 33.0)		6,492	
Financing:				
40.00	Budget authority (appropriation)		6,492	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		6,492	
90.00	Outlays		6,492	

This supplemental appropriation would provide funds to complete the \$360 million United States share of the increase in African Development Bank resources.

AGENCY FOR INTERNATIONAL DEVELOPMENT

INTERNATIONAL DISASTER ASSISTANCE

(Supplemental now requested, additional authorizing legislation required)

For an additional amount for "International disaster assistance", \$100,000,000, to remain available until expended.

Program and Financing (in thousands of dollars)

Identification code	11-1035-4-1-151	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 41.0)		100,000	
Financing:				
40.00	Budget authority (appropriation)		100,000	

Relation of obligations to outlays:

71.00	Obligations incurred, net	100,000	
72.40	Obligated balance, start of year		75,200
74.40	Obligated balance, end of year	-75,200	-25,200
90.00	Outlays	24,800	50,000

This supplemental appropriation would provide additional funds for rehabilitation and reconstruction assistance for El Salvador, which was hit by a major earthquake in September 1986. This assistance would be in addition to the \$50 million of disaster assistance for El Salvador provided by the Congress in the 1987 foreign assistance appropriations act.

Department of Agriculture
FOREIGN AGRICULTURAL SERVICE

FOREIGN AGRICULTURAL SERVICE

(Supplemental language now requested, existing legislation)

Funds appropriated to the Foreign Agricultural Service shall be used to offset increases in overseas support costs.

Program and Financing (in thousands of dollars)

Identification code	12-2900-1-1-352	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Program formulation and execution (total obligations)		705	
Financing:				
11.00	Offsetting collections from: Federal funds: Commodity Credit Corporation		-705	
39.00	Budget authority			
Relation of obligations to outlays:				
71.00	Obligations incurred, net			
90.00	Outlays			

This proposal would allow the Foreign Agricultural Service (FAS) to apply currently available funds to compensate for the reduced purchasing power of the dollar overseas. During the past year, the dollar has declined sharply against most European currencies and the Japanese yen. The result has been a drop in the purchasing power of the dollar, that has increased operating costs in Europe by approximately 25 percent, and in Japan by almost 50 percent. In addition, this proposal would allow FAS to use funds to fully reimburse the State Department for the cost of providing administrative support for FAS attache and counselor offices (the reimbursement to the State Department has also increased due to the reduction in the value of the dollar overseas), as well as to comply with the Congressional directive to replace foreign nationals in the U.S. Embassy in Moscow with American nationals.

Object Classification (in thousands of dollars)

Identification code	12-2900-1-1-352	1986 actual	1987 est.	1988 est.
11.1	Personnel compensation: Full-time permanent		382	
12.1	Personnel benefits: Civilian		44	
21.0	Travel and transportation of persons		25	
23.2	Communications, utilities, and miscellaneous charges		63	
25.0	Other services		176	
31.0	Equipment		15	
99.9	Total obligations		705	

Personnel Summary

Total number of full-time permanent positions.....	10	.....
Total compensable workyears: Full-time equivalent employment	10	.....

OFFICE OF THE GENERAL SALES MANAGER

(Supplemental language now requested, existing legislation)

Not to exceed an additional \$705,000 may be transferred from the Commodity Credit Corporation to the General Sales Manager.

This supplemental request would provide the funding necessary to support the additional workload resulting from the enactment of the Food Security Act of 1985.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

SALARIES AND EXPENSES

(Supplemental language now requested, existing legislation)

For an additional amount for "Salaries and expenses", \$24,000,000: *Provided*, That not to exceed \$24,000,000 of the above amount may be transferred to this account from the Commodity Credit Corporation Fund.

Program and Financing (in thousands of dollars)

Identification code	12-3300-1-1-351	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Operation of supply adjustment, conservation, and price support programs (total obligations) (object class 41.0).....		24,000	.....
Financing:				
11.00	Offsetting collections from: Federal funds: Commodity Credit Corporation.....		-24,000	.....
39.00	Budget authority.....			.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....			.....
90.00	Outlays.....			.....

This supplemental request would provide additional Commodity Credit Corporation transfer authority to cover increased Agricultural Stabilization and Conservation Service (ASCS) administrative costs in fiscal year 1987 related to major workload increases in ASCS county offices to carry out record commodity loan making and forfeiture activity, commodity certificate issuance and redemption activity, newly authorized disaster payments, and 1987 crop advance payments.

COMMODITY CREDIT CORPORATION

COMMODITY CREDIT CORPORATION FUND

(Supplemental now requested, existing legislation)

For reimbursement to the Commodity Credit Corporation for net realized losses sustained or anticipated, but not previously reimbursed, such sums as may be necessary are available in this and subsequent years, as authorized by the Act of August 17, 1961 (15 U.S.C. 713a-11, 713a-12).

Program and Financing (in thousands of dollars)

Identification code	12-4336-1-3-351	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Operating expenses (total obligations) (object class 25.0).....		24,705	.....
Financing:				
39.00	Budget authority.....		24,705	.....
Budget authority:				
40.00	Appropriation: Reimbursement for net realized losses (indefinite).....		6,653,189	.....
40.47	Portion applied to debt reduction.....		-6,653,189	.....
43.00	Budget authority (adjusted).....			.....
47.10	Authority to borrow.....		24,705	.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....		24,705	.....
90.00	Outlays.....		24,705	.....

This proposal would provide funds to reimburse the Commodity Credit Corporation (CCC) for net realized losses. This request is needed to finance near record 1987 CCC outlays that, without the requested supplemental, would exhaust CCC borrowing authority by the middle of 1987. This request would also finance increased Agricultural Stabilization and Conservation Service administrative costs of \$24 million related to major workload increases in ASCS county offices to carry out record commodity loanmaking and forfeiture activity, commodity certificate issuance and redemption activity, newly authorized disaster payments, and 1987 crop advance payments. This request would also finance increased Office of the General Sales Manager administrative costs of \$705 thousand related to the implementation of the Food Security Act of 1985.

RURAL ELECTRIFICATION ADMINISTRATION

RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND

(Supplemental language now requested, existing legislation)

In appropriation language under this head in the Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, delete the language preceding the second proviso and substitute: During fiscal year 1987, and within the resources and authority available, gross obligations for the principal amount of direct loans made pursuant to section 305 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), shall not exceed \$541,574,000; during fiscal year 1987, commitments to guarantee loans pursuant to section 306 of that Act may be made only to the extent that the total loan principal, any part of which is to be guaranteed, shall not exceed \$402,018,000.

Program and Financing (in thousands of dollars)

Identification code	12-4230-1-3-271	1986 actual	1987 est.	1988 est.
Program by activities:				
Capital investment:				
01.01	Rural electrification.....		-185,288	.....
01.02	Rural telephone.....		-134,438	.....
01.03	Direct loans, FFB.....		-531,057	.....
10.00	Total obligations (object class 33.0).....		-850,783	.....
Financing:				
14.00	Offsetting collections from: Non-Federal sources.....			17,606
21.98	Unobligated balance available, start of year: Fund balance.....			198,326

RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND— Continued

Program and Financing (in thousands of dollars)—Continued

Identification code	12-4230-1-3-271	1986 actual	1987 est.	1988 est.
24.98	Unobligated balance available, end of year: Fund balance.....		-198,326	-447,257
31.00	Redemption of debt.....		198,326	231,325
47.10	Authority to borrow (7 U.S.C. 934) (indefinite).....		-850,783	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....		-850,783	17,606
72.47	Obligated balance, start of year: Authority to borrow.....			-652,457
74.47	Obligated balance, end of year: Authority to borrow.....		652,457	403,526
90.00	Outlays.....		-198,326	-231,325

Status of Direct Loans (in thousands of dollars)

Position with respect to appropriations act limitations on obligations:				
1111	Limitation on direct loans to the public.....		-850,783	
1150	Total direct loan obligations.....		-850,783	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year.....			-198,326
1231	Disbursements: Direct loan disbursements.....		-198,326	-248,931
1251	Repayments: Repayments and prepayments.....			17,606
1290	Outstanding, end of year.....		-198,326	-429,651

The Administration is proposing this supplemental as part of its effort to reduce the cost of REA direct loan assistance programs. Most borrowers, starting in fiscal year 1988, will be eligible for a proposed program of 70 percent REA guarantees of privately originated loans. Since most current REA direct loan borrowers also borrow privately, this will ensure they have access to private credit to meet their needs while reducing unnecessary Federal outlays to lower the deficit.

There will be no Executive Branch action to defer or otherwise restrict the funds currently available until after Congressional enactment of this proposal. If and when Congress enacts this proposal, appropriate actions will be taken to implement the law.

RURAL TELEPHONE BANK

(Supplemental language now requested, existing legislation)

In appropriation language under this head in the Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, delete the phrase "be not less than \$177,045,000 nor more than \$210,540,000." and substitute: not exceed \$148,511,000.

Program and Financing (in thousands of dollars)

Identification code	12-4231-1-3-452	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Capital investment loans (total obligations) (object class 33.0).....		-28,534	
Financing:				
47.10	Authority to borrow (7 U.S.C. 901-950(b)) (indefinite).....		-28,534	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....		-28,534	
72.47	Obligated balance, start of year: Authority to borrow.....			-26,822
74.47	Obligated balance, end of year: Authority to borrow.....		26,822	20,420
90.00	Outlays.....		-1,712	-6,402

Status of Direct Loans (in thousands of dollars)

Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans to the public.....		-28,534	
1150	Total direct loan obligations.....		-28,534	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year.....			-1,712
1231	Disbursements: Direct loan disbursements.....		-1,712	-6,560
1251	Repayments: Repayments and prepayments.....			158
1290	Outstanding, end of year.....		-1,712	-8,114

The Administration is proposing this supplemental as part of its effort to reduce the cost of REA direct loan assistance programs. Most borrowers, starting in fiscal year 1988, will be eligible for a proposed program of 70 percent REA guarantees of privately originated loans. Since most current REA direct loan borrowers also borrow privately, this will ensure they have access to private credit to meet their needs while reducing unnecessary Federal outlays to lower the deficit.

There will be no Executive Branch action to defer or otherwise restrict the funds currently available until after Congressional enactment of this proposal. If and when Congress enacts this proposal, appropriate actions will be taken to implement the law.

FARMERS HOME ADMINISTRATION

RURAL HOUSING INSURANCE FUND

(Supplemental language now requested, existing legislation)

During fiscal year 1987, and within the resources and authority available, gross obligations for the principal amount of direct loans shall not exceed \$507,978,000.

Program and Financing (in thousands of dollars)

Identification code	12-4141-1-3-371	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Loans obligated (total obligations) (object class 33.0).....		-1,525,115	
Financing:				
31.00	Redemption of debt.....		540,000	
32.47	Balance of authority to borrow withdrawn.....		375,217	
47.10	Budget authority (authority to borrow) (42 U.S.C. 1487(h)) (indefinite).....		-609,898	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....		-1,525,115	
Obligated balance, start of year:				
72.47	Authority to borrow.....			-730,915
72.98	Fund balance.....			-8,200
Obligated balance, end of year:				
74.47	Authority to borrow.....		730,915	580,308
74.98	Fund balance.....		8,200	-411,193
90.00	Outlays.....		-786,000	-570,000

Status of Direct Loans (in thousands of dollars)

Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans to the public.....		-1,525,115	
1150	Total direct loan obligations.....		-1,525,115	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year.....			-786,000

1231	Disbursements: Direct loan disbursements.....	- 786,000	- 570,000
1290	Outstanding, end of year.....	- 786,000	- 1,356,000

The proposed language is part of the efforts to reduce the size and scope of Federal programs and their adverse impact on the management of future fiscal policy and deficit targets. The most efficient way to manage both local housing and community facilities is to rely upon the American private credit market, not Federal loans and grants. Housing vouchers are available to assist low-income rural families in need of improved housing.

There will be no Executive Branch action to defer or otherwise restrict the funds currently available until after Congressional enactment of this proposal. If and when Congress enacts this proposal, appropriate actions will be taken to implement the law.

RURAL DEVELOPMENT INSURANCE FUND

(Supplemental language now requested, existing legislation)

During fiscal year 1987, and within the resources and authority available, gross obligations for the principal amount of direct loans shall not exceed \$107,080,000.

Program and Financing (in thousands of dollars)

Identification code	12-4155-1-3-452	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Loans (total obligations) (object class 33.0)		- 319,000	
Financing:				
31.00	Redemption of debt.....		11,000	51,200
47.10	Budget authority (authority to borrow) (7 U.S.C. 1929(a)) (indefinite).....		- 308,000	51,200
Relation of obligations to outlays:				
71.00	Obligations incurred, net		- 319,000	
72.47	Obligated balance, start of year: Authority to borrow			- 308,000
74.47	Obligated balance, end of year: Authority to borrow		308,000	256,800
90.00	Outlays.....		- 11,000	- 51,200

Status of Direct Loans (in thousands of dollars)

Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans to the public.....		- 319,000	
1150	Total direct loan obligations		- 319,000	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year			- 11,000
1231	Disbursements: Direct loan disbursements.....		- 11,000	- 52,200
1290	Outstanding, end of year.....		- 11,000	- 62,200

The proposed supplemental is part of the Administration's efforts to reduce the size and scope of Federal programs and their adverse impact on the management of future fiscal policy and deficit targets. The Administration believes that the most efficient way to manage both local housing and community facilities is to rely upon the American private credit market, not Federal loans and grants.

There will be no Executive Branch action to defer or otherwise restrict the funds currently available until after Congressional enactment of this proposal. If and when Congress enacts this proposal, appropriate actions will be taken to implement the law.

FOOD AND NUTRITION SERVICE

SPECIAL MILK PROGRAM

(Supplemental now requested, existing legislation)

For an additional amount for "Special Milk Program," \$3,426,000.

Program and Financing (in thousands of dollars)

Identification code	12-3502-1-1-605	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 41.0)		3,426	
Financing:				
40.00	Budget authority (appropriation).....		3,426	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		3,426	
72.40	Obligated balance, start of year			3,031
74.40	Obligated balance, end of year.....		- 3,031	
90.00	Outlays.....		395	3,031

These funds are needed to pay for additional half-pints of milk to be served in fiscal year 1987 as a result of amendments made to section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1772), by Public Law 99-661 which expanded eligibility for the program.

FOREST SERVICE

HIGHWAY CONSTRUCTION: MOUNT ST. HELENS NATIONAL MONUMENT

(LIQUIDATION OF CONTRACT AUTHORITY)

(Supplemental now requested, existing legislation)

For payment of obligations incurred for the Mount St. Helens National Volcanic Monument road, \$9,915,000, to be derived from the Highway Trust Fund.

This supplemental provides funds to liquidate obligations incurred by the Forest Service for a road being constructed in the Mount St. Helens Volcanic National Monument.

GENERAL PROVISIONS—DEPARTMENT OF AGRICULTURE

(Supplemental language now requested, existing legislation)

Section 622 of the Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, is amended by adding the following at the end thereof: All costs of such projects attributable to flood control shall be subject, in fiscal year 1987 and thereafter, to the flood control cost-sharing provisions of the Water Resources Development Act of 1986 (Public Law 99-662), and at least twenty percent of the total benefits of each such project must be for agricultural flood control.

This language would make the flood control cost-sharing provisions of the recently enacted Water Resources Development Act of 1986 applicable to similar projects initiated in 1987 by the Department of Agriculture, Soil Conservation Service (SCS). It would also require that 1987 new starts undertaken by the SCS have at least 20 percent of their total benefits be for agricultural flood control.

Program and Financing (in thousands of dollars)

Identification code	67-0201-1-1-154	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 25.0)		8,098	
Financing:				
40.00	Budget authority (appropriation)		8,098	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		8,098	
72.00	Obligated balance, start of year			1,389
74.00	Obligated balance, end of year		-1,389	
90.00	Outlays		6,709	1,389

This proposal would provide \$7.5 million to offset exchange rate losses that have severely affected the purchasing power of the dollar abroad and \$598 thousand for a new U.S.-Pakistan Fund for cultural, educational, and scientific activities. This fund would use special foreign currency, derived from the Information Media Guaranty Program, to support the newly formed National English Language Institute in Pakistan.

RADIO BROADCASTING TO CUBA

(Supplemental now requested, existing legislation)

For an additional amount to carry out the provisions of section 7 of the Radio Broadcasting to Cuba Act, as amended (22 U.S.C. 1465(e)), \$993,000, to remain available until expended.

Program and Financing (in thousands of dollars)

Identification code	67-0208-1-1-154	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 41.0)		993	
Financing:				
40.00	Budget authority (appropriation)		993	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		993	
90.00	Outlays		993	

These funds would be used to make payments to radio broadcasters in the United States adversely affected by Cuban interference in accordance with Section 7 of Public Law 98-111, the Radio Broadcasters to Cuba Act.

SECTION II—INCREASED PAY COST FOR THE FISCAL YEAR 1987

For additional amounts for appropriations for the fiscal year 1987, for increased pay cost authorized by or pursuant to law as follows:

LEGISLATIVE BRANCH

Senate:

"Compensation of Members, Senate", \$172,000;
 "Salaries, officers and employees", \$4,151,000;
 "Office of the Legislative Counsel of the Senate", \$47,000;
 "Inquiries and investigations", \$1,116,000;

House of Representatives:

"House leadership offices", \$78,000;
 "Salaries, officers and employees", \$1,229,000;
 "Committee employees", \$10,713,000;
 "Members' clerk hire", \$5,168,000;
 "Allowances and expenses", \$815,000;
 "Special and select committees", \$892,000;

Joint Items:

"Joint Economic Committee", \$106,000;
 "Joint Committee on Printing", \$23,000;
 "Joint Committee on Taxation", \$77,000;
 Congressional Budget Office: "Salaries and expenses", \$227,000;

Architect of the Capitol:

Office of the Architect of the Capitol: "Salaries", \$129,000;
 "Capitol buildings", \$142,000;
 "Capitol grounds", \$54,000;
 "Senate office buildings", \$289,000;
 "House office buildings", \$354,000;
 "Capitol power plant", \$80,000;
 "Library buildings and grounds: Structural and mechanical care", \$90,000;

Library of Congress:

"Salaries and expenses", \$2,422,000;
 Copyright Office: "Salaries and expenses", \$347,000;
 Congressional Research Service: "Salaries and expenses", \$862,000;
 Books for the blind and physically handicapped: "Salaries and expenses", \$99,000;

Government Printing Office:

Office of Superintendent of Documents: "Salaries and expenses", \$96,000;
 General Accounting Office: "Salaries and expenses", \$3,905,000;

Other Legislative Branch Agencies:

Botanic Garden: "Salaries and expenses", \$34,000;
 Copyright Royalty Tribunal: "Salaries and expenses", \$9,000, of which \$7,000 shall be derived by collections from the appropriation "Payments to Copyright Owners" for the reasonable costs incurred in proceedings involving distribution of royalty fees as provided by 17 U.S.C. 807;
 Office of Technology Assessment: "Salaries and expenses", \$209,000.

THE JUDICIARY

Supreme Court of the United States:

"Salaries and expenses", \$504,000;
 "Care of buildings and grounds", \$24,000;

United States Court of Appeals for the Federal Circuit:

"Salaries and expenses", \$97,000;

United States Court of International Trade: "Salaries and expenses", \$90,000;

Courts of Appeals, District Courts, and Other Judicial Services:

"Salaries and expenses", \$15,032,000;
 "Defender services", \$593,000;

Administrative Office of the United States Courts: "Salaries and expenses", \$504,000;

Federal Judicial Center: "Salaries and expenses", \$116,000.

EXECUTIVE OFFICE OF THE PRESIDENT

White House Office: "Salaries and expenses", \$172,000;
 Executive Residence and the White House: "Operating expenses", \$43,000;

Special Assistance to the President: "Salaries and expenses", \$10,000;

Council of Economic Advisers: "Salaries and expenses", \$16,000;

Council on Environmental Quality and Office of Environmental Quality, \$6,000;

Office of Policy Development: "Salaries and expenses", \$23,000;

National Security Council: "Salaries and expenses", \$28,000;

Office of Administration: "Salaries and expenses", \$57,000;

Office of Management and Budget:

"Salaries and expenses", \$290,000;

EXECUTIVE OFFICE OF THE PRESIDENT—Continued

"Office of Federal Procurement Policy: "Salaries and expenses", \$12,000;
 Office of Science and Technology Policy: "Salaries and expenses", \$9,000;
 Office of the United States Trade Representative: "Salaries and expenses", \$77,000.

FUNDS APPROPRIATED TO THE PRESIDENT

Agency for International Development:

"Operating expenses, Agency for International Development", \$4,350,000 of which \$2,175,000 shall be derived by transfer from the "Functional development assistance program";
 "Operating expenses of the Agency for International Development, Office of the Inspector General", \$206,000 of which \$103,000 shall be derived by transfer from the "Functional development assistance program";
 Peace Corps: "Peace Corps, operating expenses", \$324,000;
 African Development Foundation: "African Development Foundation", \$15,000.

DEPARTMENT OF AGRICULTURE

"Office of the Secretary", \$31,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "Office of the Assistant Secretary for Administration", \$7,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "Office of the Assistant Secretary for Governmental and Public Affairs, \$7,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "Office of the Assistant Secretary for Economics", \$7,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "Office of the Assistant Secretary for Science and Education", \$7,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "Office of the Assistant Secretary for Marketing and Inspection Service", \$7,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "Office of the Assistant Secretary for International Affairs and Commodity Programs", \$8,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "Office of the Assistant Secretary for Small Community and Rural Development", \$8,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "Office of the Assistant Secretary for Natural Resources and Environment", \$7,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "Office of the Assistant Secretary for Food and Consumer Services", \$7,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "Departmental Administration", for budget and program analysis \$79,000; for personnel, finance and management, operations, information resources management, equal opportunity, small and disadvantaged business utilization, and administrative law judges and judicial officer, \$462,000; making a total of \$541,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";

"Building operations and maintenance", \$35,000, to be derived from unobligated balances in "Forest Service, Land acquisition";
 "Office of Governmental and Public Affairs", for public affairs \$105,000; for congressional relations, \$10,000; and for intergovernmental affairs \$9,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "Office of the Inspector General", \$799,000, to be derived by transfer from unobligated balances in "Forest Service, Land acquisition";
 "Office of the General Counsel", \$375,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "Agricultural Research Service", \$7,799,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "National Agricultural Library", \$65,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "Economic Research Service", \$815,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "National Agricultural Statistics Service", \$900,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "World Agricultural Outlook Board", \$30,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "Foreign Agricultural Service", \$567,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "General Sales Manager", an additional \$114,000, to be derived by transfer from the Commodity Credit Corporation fund;
 Agricultural Stabilization and Conservation Service: "Salaries and expenses", an additional \$8,967,000, to be derived by transfer from the Commodity Credit Corporation funds;
 Farmers Home Administration: "Salaries and expenses", \$3,000,000, to be derived by transfer from prior-year unobligated balances in "Forest Service, Land acquisition";
 Soil Conservation Service:
 "Conservation operations", \$7,297,000, to be derived by transfer from "Temporary Emergency Food Assistance Program";
 "River basin surveys and investigations", \$190,000, to be derived by transfer from "Temporary Emergency Food Assistance Program";
 "Watershed planning", \$136,000, to be derived by transfer from "Temporary Emergency Food Assistance Program";
 Animal and Plant Health Inspection Service: "Salaries and expenses", \$2,000,000, to be derived by transfer from unobligated balances in "Forest Service, Land acquisition";
 Federal Grain Inspection Service: "Salaries and expenses", \$105,000, to be derived by transfer from "Temporary Emergency Food Assistance Program";
 Agricultural Marketing Service:
 "Limitation on administrative expenses", increase of \$501,000 in limitation;
 "Funds for Strengthening markets, income and supply (section 32)", (increase of \$112,000 in the limitation, "marketing agreements and orders");
 "Packers and Stockyards Administration", \$156,000, to be derived by transfer from unobligated balances in "Forest Service, Land acquisition";
 "Agricultural cooperative service", \$64,000, to be derived by transfer from "Temporary Emergency Food Assistance Program";

"Office of Transportation", \$45,000, to be derived by transfer from "Temporary Emergency Food Assistance Program";

"Food Safety Inspection Service", \$7,996,000, to be derived by transfer from "Temporary Emergency Food Assistance";

Food and Nutrition Service: "Food program administration", \$713,000, for increased pay costs authorized or pursuant to law to be derived by transfer from "Temporary Emergency Food Assistance Program";

Human Nutrition Information Service: "Salaries and expenses", \$34,000, to be derived by transfer from "Temporary Emergency Food Assistance Program";

Forest Service:

"Forest Research", \$1,381,000, to be derived by transfer from unobligated balances in "Forest Service, Land acquisition";

"National Forest System", \$17,083,000, to be derived by transfer of \$4,386,000 from unobligated balances in "Forest Service, Land acquisition", \$797,000 from "State and private forestry", and \$11,900,000 from "Forest Service Permanent Appropriations".

DEPARTMENT OF COMMERCE

General Administration: "Salaries and expenses", \$450,000, to be derived by transfer of unobligated balances from "Regional development programs";

Economic Development Administration: "Salaries and expenses", \$397,000, to be derived by transfer from "Economic Development Revolving Fund";

Economic and Statistical Analysis: "Salaries and expenses", \$332,000, to be derived by transfer of unobligated balances from "Regional development programs";

National Telecommunications and Information Administration: "Salaries and expenses", \$243,000, to be derived by transfer of unobligated balances from "Public telecommunications facilities, planning, and construction".

DEPARTMENT OF DEFENSE—MILITARY

Operation and Maintenance:

"Operation and Maintenance, Army", \$2,679,000;

"Operation and Maintenance, Navy", \$3,350,000;

"Operation and Maintenance, Marine Corps", \$183,000;

"Operation and Maintenance, Air Force", \$1,925,000;

"Operation and Maintenance, Defense Agencies", \$2,307,000;

"Operation and Maintenance, Army Reserve", \$109,000;

"Operation and Maintenance, Navy Reserve", \$29,000;

"Operation and Maintenance, Marine Corps Reserve", \$3,000;

"Operation and Maintenance, Air Force Reserve", \$281,000;

"Operation and Maintenance, Army National Guard", \$285,000;

"Operation and Maintenance, Air National Guard", \$618,000;

"Court of Military Appeals", \$1,000;

Research, Development, Test, and Evaluation:

"Research, Development, Test, and Evaluation, Army", \$336,000;

"Research, Development, Test, and Evaluation, Navy", \$33,000;

"Research, Development, Test, and Evaluation, Air Force", \$306,000;

"Research, Development, Test, and Evaluation, Defense Agencies", \$115,000;

Military Construction:

"Military Construction, Army", \$93,000;

"Military Construction, Navy", \$39,000;

"Military Construction, Army Reserve", \$1,000;

Family Housing: "Family Housing, Army", \$10,000.

DEPARTMENT OF DEFENSE—CIVIL

Corps of Engineers, Civil: "General expenses", \$1,832,000, to be derived by transfer from "Construction, General".

Soldiers' and Airmen's Home: "Operation and maintenance", \$378,000, to be derived by transfer from "Capital outlays".

DEPARTMENT OF ENERGY

"Energy Information Administration", \$469,000, to be derived by transfer of unobligated balances in "Fossil Energy Research and Development";

"Emergency preparedness", \$89,000; to be derived by transfer of unobligated balances in Fossil Energy Research and Development.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration: "Salaries and expenses", \$5,892,000, of which \$320,000 shall be derived by transfer from Centers for Disease Control, "Disease Control, Research, and Training", and of which \$5,572,000 shall be derived by transfer from Alcohol, Drug Abuse, and Mental Health Administration, "Alcohol, Drug Abuse, and Mental Health";

Indian Health Service: "Indian Health Services" \$4,877,000, to be derived by transfer from "Indian Health Facilities";

Saint Elizabeths Hospital: "Federal Subsidy for Saint Elizabeths Hospital", \$2,487,000, to be derived by transfer from Alcohol, Drug Abuse, and Mental Health Administration, "Alcohol, Drug Abuse, and Mental Health";

Departmental Management: "General departmental management", \$2,200,000.

DEPARTMENT OF THE INTERIOR

Office of Surface Mining Reclamation and Enforcement: "Regulation and technology", \$642,000, to be derived by transfer from "Abandoned mine reclamation fund."

Office of the Secretary: "Office of the Secretary", *The limitation on expenses for the immediate Office of the Secretary in fiscal year 1987 under this head in the Department of the Interior and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, shall be increased only to the extent necessary for pay adjustments pursuant to 5 U.S.C. ch. 53.*

DEPARTMENT OF JUSTICE

General Administration: "Salaries and expenses", \$575,000;

United States Parole Commission: "Salaries and expenses", \$84,000;

Legal activities:

"Salaries and expenses, general legal activities", \$1,646,000;

"Salaries and expenses, Antitrust Division", \$315,000;

"Salaries and expenses, Foreign Claims Settlement Commission", \$3,000;

"Salaries and expenses, United States Attorneys", \$2,818,000;

"Salaries and expenses, Oversight of Bankruptcy Cases", \$93,000;

"Salaries and expenses, United States Marshals Service", \$2,234,000;

"Construction, minor projects" (increase of \$665,000 in the limitation on the expenses of the Office of Facilities).

OTHER INDEPENDENT AGENCIES

Administrative Conference of the United States: "Salaries and expenses", \$34,000;
 American Battle Monuments Commission: "Salaries and expenses", \$265,000;
 Arms Control and Disarmament Agency: "Arms control and disarmament activities", \$124,000;
 Equal Employment Opportunity Commission: "Salaries and expenses", \$2,640,000;
 Export-Import Bank: "Limitation on administrative expenses" (increase of \$157,000 in the limitation on administrative expenses);
 Federal Communications Commission: "Salaries and expenses", \$755,000;
 Federal Election Commission: "Salaries and expenses", \$88,000;
 Federal Home Loan Bank Board: "Limitation on administrative expenses Federal Home Loan Bank Board" (increase of \$350,000);
 Federal Labor Relations Authority: "Salaries and expenses", \$136,000;
 Federal Maritime Commission: "Salaries and expenses", \$200,000;
 Federal Mediation and Conciliation Service: "Salaries and expenses", \$181,000;
 Merit Systems Protection Board:
 "Salaries and expenses", \$170,000;
 "Office of the Special Counsel", \$21,000;
 National Commission on Libraries and Information Science: "Salaries and expenses", \$6,000;
 National Labor Relations Board: "Salaries and expenses", \$628,000;
 National Mediation Board: "Salaries and expenses", \$60,000;
 National Science Foundation: "Research and related activities" (increase of \$2,600,000 in the limitation on program development and management);
 Securities and Exchange Commission: "Salaries and expenses", \$1,837,000;
 United States Information Agency: "Salaries and expenses", \$2,691,000.

SECTION III—INCREASED COSTS FOR RETIREMENT CONTRIBUTIONS (P.L. 99-335)

For additional amounts for appropriations for the fiscal year 1987, for Federal Employee Retirement System cost authorized by or pursuant to law as follows:

LEGISLATIVE BRANCH

Senate:
 "Compensation of Members, Senate", \$35,000;
 "Salaries, officers and employees", \$6,986,000;
 "Office of the Legislative Counsel of the Senate", \$53,000;
 "Office of the Senate Legal Counsel", \$18,000;
 "Senate policy committees", \$133,000;
 "Inquiries and investigations", \$1,848,000;
 House of Representatives:
 "Allowances and expenses", \$35,880,000;
 Joint Items:
 "Joint Economic Committee", \$155,000;
 "Joint Committee on Printing", \$34,000;
 "Capitol Guide Service", \$32,000;
 Congressional Budget Office, "Salaries and expenses", \$452,000;
 Architect of the Capitol:
 "Office of the Architect of the Capitol:
 "Salaries", \$166,000;
 "Capitol buildings", \$187,000;
 "Capitol grounds", \$68,000;

"Senate office buildings", \$456,000;
 "House office buildings", \$611,000;
 "Capitol power plant", \$109,000;
 "Library buildings and grounds: Structural and mechanical care", \$130,000;

Library of Congress:

"Salaries and expenses", \$1,906,000;
 Copyright Office: "Salaries and expenses", \$275,000;
 Congressional Research Service:
 "Salaries and expenses", \$617,000;
 Books for the Blind and Physically Handicapped:
 "Salaries and expenses", \$103,000;
 Government Printing Office:
 Office of Superintendent of Documents: "Salaries and expenses", \$83,000;
 General Accounting Office: "Salaries and expenses", \$3,563,000;
 Other Legislative Branch Agencies:
 Botanic Garden: "Salaries and expenses", \$48,000;
 Copyright Royalty Tribunal: "Salaries and expense", \$7,000, of which \$6,000 shall be derived by collections from the appropriation "Payments to Copyright Owners" for the reasonable costs incurred in proceedings involving distribution of royalty fees as provided by 17 U.S.C. 807;
 Office of Technology Assessment: "Salaries and expenses", \$545,000.

THE JUDICIARY

Supreme Court of the United States:
 "Salaries and expenses", \$409,000;
 "Care of buildings and grounds", \$33,000;
 United States Court of Appeals for the Federal Circuit:
 "Salaries and expenses", \$23,000;
 United States Court of International Trade: "Salaries and expenses", \$49,000;
 Courts of Appeals, District Courts, and Other Judicial Services:
 "Salaries and expenses", \$9,688,000;
 "Defender services", \$887,000;
 Administrative Office of the United States Courts:
 "Salaries and expenses", \$80,000;
 Federal Judicial Center: "Salaries and expenses", \$108,000.

EXECUTIVE OFFICE OF THE PRESIDENT

White House Office: "Salaries and expenses", \$374,000;
 Executive Residence and the White House: "Operating expenses", \$53,000;
 Special Assistance to the President: "Salaries and expenses", \$107,000;
 Council of Economic Advisers: "Salaries and expenses", \$95,000;
 Office of Policy Development: "Salaries and expenses", \$89,000;
 National Security Council: "Salaries and expenses", \$62,000;
 Office of Administration: "Salaries and expenses", \$214,000;
 Office of Management and Budget: "Salaries and expenses", \$413,000;
 Office of Federal Procurement Policy: "Salaries and expenses", \$20,000;
 Office of Science and Technology Policy: "Salaries and expenses", \$40,000;
 Office of the United States Trade Representative: "Salaries and expenses", \$168,000.

FUNDS APPROPRIATED TO THE PRESIDENT

Agency for International Development:
 "Operating expenses, Agency for International Development", \$5,488,000;

FUNDS APPROPRIATED TO THE PRESIDENT—Continued

"Operating expenses, of the Agency for International Development, Office of the Inspector General", \$218,000;
 Peace Corps: "Peace Corps, operating expenses", \$436,000;
 African Development Foundation: "African Development Foundation", \$99,000.

DEPARTMENT OF AGRICULTURE

"Office of the Secretary", \$29,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "Office of the Assistant Secretary for Administration", \$8,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "Office of the Assistant Secretary for Governmental and Public Affairs", \$6,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "Office of the Assistant Secretary for Economics", \$6,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "Office of the Assistant Secretary for Science and Education", \$6,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "Office of the Assistant Secretary for Marketing and Inspection Service", \$6,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "Office of the Assistant Secretary for International Affairs and Commodity Programs", \$8,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "Office of the Assistant Secretary for Small Community and Rural Development", \$8,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "Office of the Assistant Secretary for Natural Resources and Environment", \$6,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "Office of the Assistant Secretary for Food and Consumer Services", \$6,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "Departmental Administration", for budget and program analysis, \$73,000; for personnel, finance and management, operations, information resources management, equal opportunity, small and disadvantaged business utilization, and administrative law judges and judicial officer, \$385,000; making a total of \$458,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "Building operations and maintenance", \$165,000, to be derived from prior-year unobligated balances in "Forest Service, Land acquisition";
 "Office of Governmental and Public Affairs", for public affairs, \$111,000; for congressional relations, \$6,000; and for intergovernmental affairs, \$9,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "Office of the Inspector General", \$622,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "Office of the General Counsel", \$239,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";

"Agricultural Research Service", \$4,747,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "National Agricultural Library", \$97,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "Economic Research Service", \$580,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "National Agricultural Statistics Service", \$612,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "World Agricultural Outlook Board", \$21,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "Foreign Agricultural Service", \$607,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "General Sales Manager", an additional \$107,000 to be derived by transfer from the Commodity Credit Corporation fund;
 Agricultural Stabilization and Conservation Service: "Salaries and expenses", an additional \$9,920,000 to be derived by transfer from the Commodity Credit Corporation fund;
 "Office of International Cooperation and Development", \$114,000, to be derived by transfer from "Temporary Emergency Food Assistance Program";
 Soil Conservation Service:
 "Conservation operations", \$5,331,000, to be derived by transfer from "Temporary Emergency Food Assistance Program";
 "River Basin surveys and investigations", \$130,000, to be derived by transfer from "Temporary Emergency Food Assistance Program";
 "Watershed planning", \$97,000, to be derived by transfer from "Temporary Emergency Food Assistance Program";
 Farmers Home Administration: "Salaries and expenses", \$4,678,000, to be derived by transfer from prior-year unobligated balances in "Forest Service, Land Acquisition";
 Federal Grain Inspection Service: "Salaries and expenses", \$76,000, to be derived by transfer from "Temporary Emergency Food Assistance Program";
 Agricultural Marketing Service:
 "Marketing Services", \$490,000, to be derived by transfer from "Reimbursement to the Rural Electrification and Telephone Revolving Fund";
 "Limitation on Administrative Expenses", (increase of \$213,000 in limitation);
 "Funds for Strengthening Markets, Income and Supply" (section 32), (increase of \$84,000 in the limitation "Marketing Agreements and Orders");
 "Packers and Stockyards Administration", \$58,000, to be derived by transfer from unobligated balances in "Forest Service, Land acquisition";
 "Agricultural Cooperative Service", \$46,000, to be derived by transfer from "Temporary Emergency Food Assistance Program";
 "Office of Transportation", \$34,000, to be derived by transfer from "Temporary Emergency Food Assistance Program";
 "Food Safety Inspection Service", \$4,573,000, to be derived by transfer from "Temporary Emergency Food Assistance Program";
 Food and Nutrition Service: "Food program administration", \$1,503,000, for increased costs authorized by or pursuant to the Federal Employee Retirement System Act of 1986, Public Law 99-335, to be derived by transfer from "Temporary Emergency Food Assistance Program";

Human Nutrition Information Service: "Salaries and expenses", \$75,000, *to be derived by transfer from "Temporary Emergency Food Assistance Program"*;
 Forest Service: "National Forest System", \$10,412,000, *to be derived by transfer of unobligated balances in "Forest Service, Land acquisition"*;

DEPARTMENT OF COMMERCE

General Administration:
 "Salaries and expenses", \$464,000;
 Bureau of the Census:
 "Salaries and expenses", \$1,433,000;
 "Periodic censuses and programs", \$2,806,000;
 Economic and Statistical Analysis: "Salaries and expenses", \$408,000;
 Economic Development Administration: "Salaries and expenses", \$400,000, *to be derived by transfer from "Economic Development Revolving Fund"*;
 International Trade Administration: "Operations and Administration", \$2,237,000;
 Minority Business Development Agency: "Minority business development", \$180,000;
 United States Travel and Tourism Administration: "Salaries and expenses", \$49,000;
 National Oceanic and Atmospheric Administration: "Operations, research, and facilities", \$5,972,000;
 National Bureau of Standards: "Scientific and technical research and services", \$1,368,000;
 National Telecommunications and Information Administration: "Salaries and expenses", \$213,000.

DEPARTMENT OF DEFENSE—MILITARY

Operation and Maintenance:
 "Operation and Maintenance, Army", \$119,047,000;
 "Operation and Maintenance, Navy", \$148,880,000;
 "Operation and Maintenance, Marine Corps", \$8,117,000;
 "Operation and Maintenance, Air Force", \$85,564,000;
 "Operation and Maintenance, Defense Agencies", \$102,453,000;
 "Operation and Maintenance, Army Reserve", \$4,858,000;
 "Operation and Maintenance, Navy Reserve", \$1,306,000;
 "Operation and Maintenance, Marine Corps Reserve", \$135,000;
 "Operation and Maintenance, Air Force Reserve", \$12,471,000;
 "Operation and Maintenance, Army National Guard", \$12,666,000;
 "Operation and Maintenance, Air National Guard", \$27,479,000;
 "National Board for the Promotion of Rifle Practice, Army", \$7,000;
 "Court of Military Appeals", \$36,000;
 Research, Development, Test, and Evaluation:
 "Research, Development, Test, and Evaluation, Army", \$14,955,000;
 "Research, Development, Test, and Evaluation, Navy", \$1,477,000;
 "Research, Development, Test, and Evaluation, Air Force", \$13,609,000;
 "Research, Development, Test, and Evaluation, Defense Agencies", \$5,165,000;
 Military Construction:
 "Military Construction, Army", \$4,136,000;
 "Military Construction, Navy", \$1,736,000;
 "Military Construction, Army Reserve", \$53,000;
 Family Housing:
 "Family Housing, Army", \$435,000.

DEPARTMENT OF DEFENSE—CIVIL

Cemeterial Expenses, Army: "Salaries and expenses", \$74,000;
 Corps of Engineers, Civil: "General expenses", \$1,400,000, *to be derived by transfer from "Construction, General"*;
 Soldiers' and Airmen's Home: "Operation and maintenance", \$578,000, *to be derived by transfer from "Capital outlays"*.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration: "Salaries and expenses", \$4,108,000 *to be derived by transfer from Centers for Disease Control, Research and Training*;
 Indian Health Service: "Indian Health Services", \$4,475,000, *to be derived by transfer from "Indian Health Facilities"*;
 Saint Elizabeths Hospital: "Federal Subsidy for Saint Elizabeths Hospital", \$1,941,000, *to be derived by transfer from Alcohol, Drug Abuse, and Mental Health Administration, "Alcohol, Drug Abuse, and Mental Health"*;
 National Institutes of Health: "Office of the Director", \$755,000, *to be derived by transfer from the various institutes of the National Institutes of Health*;
 Departmental Management: "Office of the Inspector General", \$500,000, *to be derived by transfer from "Grants to States for Medicaid" in the Health Care Financing Administration*.

DEPARTMENT OF THE INTERIOR

Office of Surface Mining Reclamation and Enforcement: "Regulation and technology", \$665,000, *to be derived by transfer from "Abandoned mine reclamation fund"*;
 Bureau of Land Management: "Construction and access", \$36,000, *to be derived by transfer from "Land acquisition"*;
 Office of the Secretary: "Salaries and expenses" *The limitation on expenses for the immediate Office of the Secretary in fiscal year 1987 under this head in the Department of the Interior and Related Agencies Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, shall be increased only to the extent necessary for agency contributions for retirement costs prescribed by the Civil Service Retirement System (5 U.S.C. ch. 83) and the Federal Employees Retirement System Act of 1986 (Public Law 99-335).*

DEPARTMENT OF JUSTICE

General administration: "Salaries and expenses", \$778,000;
 United States Parole Commission: "Salaries and expenses", \$155,000;
 Legal activities:
 "Salaries and expenses, general legal activities", \$2,213,000;
 "Salaries and expenses, Antitrust Division", \$430,000;
 "Salaries and expenses, Foreign Claims Settlement Commission", \$4,000;
 "Salaries and expenses, United States Attorneys", \$3,510,000;
 "Salaries and expenses, Oversight of Bankruptcy Cases", \$150,000;
 "Salaries and expenses, United States Marshals Service", \$3,211,000;
 "Salaries and expenses, Community Relations Service", \$85,000;
 Federal Bureau of Investigation: "Salaries and expenses", \$23,005,000;

VETERANS ADMINISTRATION

"Medical care", \$131,600,000, which, together with \$426,626,000 provided and made available by Public Laws 99-500 and 99-591 under this account in the conference version of H.R. 5313, Department of Housing and Urban Development—Independent Agencies Appropriations Act, 1987, shall be available only to the extent necessary for agency contributions for the retirement costs prescribed by the Civil Service Retirement System (5 U.S.C. ch. 83) and the Federal Employees Retirement System Act of 1986 (Public Law 99-335);

"Medical and prosthetic research", \$1,024,000;

"Medical administration and miscellaneous operating expenses", \$345,000;

"General operating expenses", \$9,242,000;

"Construction, minor projects" (an increase of \$529,000 in the limitation on the expenses of the Office of Facilities).

OTHER INDEPENDENT AGENCIES

Administrative Conference of the United States: "Salaries and expenses", \$14,000;

Arms Control and Disarmament Agency: "Arms control and disarmament activities", \$176,000;

Commission on Civil Rights: "Salaries and expenses", \$19,000;

Consumer Product Safety Commission: "Salaries and expenses", \$496,000;

Equal Employment Opportunity Commission: "Salaries and expenses", \$1,889,000;

Export-Import Bank: "Limitation on administrative expenses" (increase of \$227,000 in the limitation on administrative expenses);

Federal Communications Commission: "Salaries and expenses", \$1,199,000;

Federal Election Commission: "Salaries and expenses", \$202,000;

Federal Home Loan Bank Board: "Limitation on administrative expenses, Federal Home Loan Bank Board", (increase of \$350,000);

Federal Maritime Commission: "Salaries and expenses", \$147,000;

Federal Mediation and Conciliation Service: "Salaries and expenses", \$188,000;

Intelligence Community Staff: "Intelligence Community Staff", \$155,000

Marine Mammal Commission: "Salaries and expenses", \$10,000;

National Archives and Records Administration: "Operating expenses", \$863,000;

National Commission on Libraries and Information Science: "Salaries and expenses", \$17,000;

National Council on the Handicapped: "Salaries and expenses", \$10,000;

National Labor Relations Board: "Salaries and expenses", \$1,659,000;

National Mediation Board: "Salaries and expenses", \$44,000;

Railroad Retirement Board:

"Limitation on administration:" (increase of \$764,000 in the limitation on administration in fiscal year 1987, which shall be available only after maximum absorption within the existing limitation and only to the extent necessary for agency contributions prescribed by the Federal Employees Retirement System Act of 1986, to be derived from the railroad retirement accounts);

"Limitation on railroad unemployment insurance administration fund" increase of \$214,000 in the limitation on railroad unemployment insurance administration fund in fiscal year 1987, which shall be available only after maximum absorption within the existing limitation and only to the extent necessary for agency contributions prescribed by the Federal Employees Retirement System Act of 1986, to be

derived as authorized by section 11(a)(iv) of the Railroad Unemployment Insurance Act;

"Limitation on review activity" increase of \$22,000 in the limitation on review activity in fiscal year 1987, which shall be available only after maximum absorption within the existing limitation and only to the extent necessary for agency contributions prescribed by the Federal Employees Retirement System Act of 1986, to be derived from the railroad retirement accounts and the railroad unemployment insurance account.

Securities and Exchange Commission: "Salaries and expenses", \$2,163,000;

United States Information Agency:

"Salaries and expenses", \$5,443,000;

"Radio Broadcasting to Cuba", \$516,000.

SECTION IV—RESCISSION PROPOSALS

Department of Agriculture AGRICULTURAL RESEARCH SERVICE

BUILDINGS AND FACILITIES

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-1401-5-1-352	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 32.0)		-28,000	
Financing:				
40.00	Budget authority (appropriation rescission proposal R87-1)		-28,000	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-28,000	
72.40	Obligated balance, start of year			-17,000
74.40	Obligated balance, end of year		17,000	
90.00	Outlays		-11,000	-17,000

This proposal would rescind certain facility planning and construction funds not requested in the budget. Remaining funds would be used to support the construction of two previously planned facilities and to initiate the planning studies and design of four additional projects.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

RURAL CLEAN WATER PROGRAM

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-3337-5-1-304	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 41.0)			-6,000
Financing:				
21.40	Unobligated balance available, start of year			6,000
23.40	Unobligated balance, rescission proposal (R87-2)		6,000	
24.40	Unobligated balance available, end of year		-6,000	
39.00	Budget authority			
Relation of obligations to outlays:				
71.00	Obligations incurred, net			-6,000
74.40	Obligated balance, end of year			5,660
90.00	Outlays			-340

RURAL CLEAN WATER PROGRAM—Continued

Under the experimental Rural Clean Water Program (RCWP), a total of \$70 million was appropriated in 1980 and 1981 to develop and test means of controlling agricultural nonpoint source water pollution in rural areas. Twenty-one projects were approved, for which full funding over the 3- to 10-year life of the project areas was estimated to be \$70 million. In 1986, unobligated Rural Clean Water funds were reserved to assist Chesapeake Bay clean-up efforts, supplementing other funds provided by the Congress in the Clean Water Act. Since related funds did not become available under the Clean Water Act, RCWP funds will not be needed for this purpose and are therefore proposed for rescission.

AGRICULTURAL CONSERVATION PROGRAM
(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-3315-5-1-302	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Cost-sharing and technical assistance to farmers (total obligations) (object class 41.0)		-114,356	-50,000
Financing:				
21.40	Unobligated balance available, start of year			50,000
24.40	Unobligated balance available, end of year		-50,000	
40.00	Budget authority (appropriation rescission proposal R87-3)		-164,356	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-114,356	-50,000
72.40	Obligated balance, start of year			-61,686
74.40	Obligated balance, end of year		61,686	36,686
90.00	Outlays		-52,670	-75,000

Responsibility for the maintenance of the productivity and profitability for the individual farm is primarily the responsibility of its owner, who has an economic stake in preserving its productivity. This proposal reduces areas consistent with the Administration's policy in shifting the responsibility of financing the costs of installing conservation measures back to State, local, and private sources and focusing Federal financial assistance on the most seriously eroding areas.

WATER BANK PROGRAM

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-3320-5-1-302	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 41.0)		-8,166	
Financing:				
40.00	Budget authority (appropriation rescission proposal R87-4)		-8,166	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-8,166	
72.40	Obligated balance, start of year			-7,078
74.40	Obligated balance, end of year		7,078	6,240
90.00	Outlays		-1,088	-838

This proposal would rescind excess funds in the Water Bank Program. The major program thrust for

waterfowl habitat protection is in the Department of Interior, which has a dedicated source of funding for waterfowl habitat preservation authorized by the Migratory Bird Conservation Act. Also, the "swampbuster provision" of the Food Security Act of 1985 would deny farm benefits to producers who convert wetlands to crop use in the future, except where the impact of the action is found to be minimal.

EMERGENCY CONSERVATION PROGRAM

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	2-3316-5-1-302	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 41.0)		-10,000	
Financing:				
40.00	Budget authority (appropriation rescission proposal R87-5)		-10,000	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-10,000	
72.40	Obligated balance, start of year			-2,500
74.40	Obligated balance, end of year		2,500	
90.00	Outlays		-7,500	-2,500

This proposal is consistent with the Administration's policy in shifting the responsibility for financing the costs of installing conservation measures back to State, local, and private sources and focusing limited Federal financial assistance on the most seriously eroding areas. Also, losses resulting from natural disasters could be indemnified by insurance carriers.

FARMERS HOME ADMINISTRATION

RURAL WATER AND WASTE DISPOSAL GRANTS

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-2066-5-1-452	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 41.0)		-79,500	
Financing:				
40.00	Budget authority (appropriation rescission proposal R87-6)		-79,500	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-79,500	
72.40	Obligated balance, start of year			-77,910
74.40	Obligated balance, end of year		77,910	65,985
90.00	Outlays		-1,590	-11,925

The proposed rescission is part of the Administration's efforts to reduce the size and scope of Federal programs and their adverse impact on the management of future fiscal policy and deficit targets. The Administration believes that the most efficient way to manage both local housing and community facilities is to rely upon the American private credit market, not federal loans and grants.

GRANT OBLIGATIONS

	1986 actual	1987 est.	1988 est.
Number of grants		- 223	
Amount of grants (in thousands of dollars)		- 79,500	

RURAL COMMUNITY FIRE PROTECTION GRANTS

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-2067-5-1-452	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 41.0)		- 2,300	
Financing:				
40.00	Budget authority (appropriation rescission proposal R87-7)		- 2,300	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		- 2,300	
72.40	Obligated balance, start of year			- 1,265
74.40	Obligated balance, end of year		1,265	1,150
90.00	Outlays		- 1,035	- 115

The proposed rescission is part of the Administration's efforts to reduce the size and scope of Federal programs and their adverse impact on the management of future fiscal policy and deficit targets. The Administration believes that the most efficient way to manage both local housing and community facilities is to rely upon the American private credit market, not federal loans and grants.

GRANT OBLIGATIONS

	1986 actual	1987 est.	1988 est.
Number of grants		- 1,288	
Amount of grants (in thousands of dollars)		- 2,300	

RURAL HOUSING FOR DOMESTIC FARM LABOR

(Rescission proposal)

Program and financing (in thousands of dollars)

Identification code	12-2004-5-1-604	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 41.0)		- 7,400	
Financing:				
40.00	Budget authority (appropriation rescission proposal R87-8)		- 7,400	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		- 7,400	
72.40	Obligated balance, start of year			- 7,104
74.40	Obligated balance, end of year		7,104	5,254
90.00	Outlays		- 296	- 1,850

The proposed rescission is part of the Administration's efforts to reduce the size and scope of Federal programs and their adverse impact on the management of future fiscal policy and deficit targets. The Administration believes that the most efficient way to manage both local housing and community facilities is to rely upon the American private credit market, not Federal loans and grants. However, housing vouchers will be provided to continue meeting the specific needs of low income families in rural areas under the Rural Housing Voucher program.

GRANT OBLIGATIONS

	1986 actual	1987 est.	1988 est.
Number of grants		- 10	
Amount of grants (in thousands of dollars)		- 7,400	

MUTUAL AND SELF-HELP HOUSING

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-2006-5-1-604	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 41.0)		- 8,000	
Financing:				
40.00	Budget authority (appropriation rescission proposal R87-9)		- 8,000	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		- 8,000	
72.40	Obligated balance, start of year			- 7,360
74.40	Obligated balance, end of year		7,360	4,160
90.00	Outlays		- 640	- 3,200

The proposed rescission is part of the Administration's efforts to reduce the size and scope of Federal programs and their adverse impact on the management of future fiscal policy and deficit targets. The Administration believes that the most efficient way to manage both local housing and community facilities is to rely upon the American private credit market, not federal loans and grants. However, housing vouchers will be provided to continue meeting the specific needs of low income families in rural areas under the Rural Housing Voucher program.

GRANT OBLIGATIONS

	1986 actual	1987 est.	1988 est.
Number of grants		- 60	
Amount of grants (in thousands of dollars)		- 8,000	

VERY LOW-INCOME HOUSING REPAIR GRANTS

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-2064-5-1-604	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 41.0)		- 9,400	
Financing:				
40.00	Budget authority (appropriation rescission proposal R87-10)		- 9,400	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		- 9,400	
72.40	Obligated balance, start of year			- 470
74.40	Obligated balance, end of year		470	
90.00	Outlays		- 8,930	- 470

The proposed rescission is part of the Administration's efforts to reduce the size and scope of Federal programs and their adverse impact on the management of future fiscal policy and deficit targets. The Administration believes that the most efficient way to manage both local housing and community facilities is to rely upon the American private credit market, not federal loans and grants. However, housing vouchers will be provided to continue meeting the specific needs of low

VERY LOW-INCOME HOUSING REPAIR GRANTS—Continued

income families in rural areas under the Rural Housing Voucher program.

GRANT OBLIGATIONS

	1986 actual	1987 est.	1988 est.
Number of grants		— 2,843	
Amount of grants (in thousands of dollars)		— 9,400	

COMPENSATION FOR CONSTRUCTION DEFECTS

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-2071-5-1-371	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 41.0)		— 500	
Financing:				
40.00	Budget authority (appropriation rescission proposal R87-11)		— 500	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		— 500	
90.00	Outlays		— 500	

The proposed rescission is part of the Administration's efforts to reduce the size and scope of Federal programs and their adverse impact on the management of future fiscal policy and deficit targets. The Administration believes that the most efficient way to manage both local housing and community facilities is to rely upon the American private credit market, not federal loans and grants.

GRANT OBLIGATIONS

	1986 actual	1987 est.	1988 est.
Number of payments		— 193	
Amount of payments (in thousands of dollars)		— 500	

RURAL HOUSING PRESERVATION GRANTS

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-2070-5-1-604	1986 actual	1987 est.	1988 est.
Program by activities:				
10.00	Total obligations (object class 41.0)		— 14,400	
Financing:				
40.00	Budget authority (appropriation rescission proposal R87-12)		— 14,400	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		— 14,400	
72.40	Obligated balance, start of year			— 10,800
74.40	Obligated balance, end of year			10,800
90.00	Outlays		— 3,600	— 10,800

The proposed rescission is part of the Administration's efforts to reduce the size and scope of Federal programs and their adverse impact on the management of future fiscal policy and deficit targets. The Administration believes that the most efficient way to manage both local housing and community facilities is to rely upon the American private credit market, not federal loans and grants. However, housing vouchers will be provided to continue meeting the specific needs of low income families in rural areas under the Rural Housing Voucher program.

GRANT OBLIGATIONS

	1986 actual	1987 est.	1988 est.
Number of grants		— 94	
Amount of grants (in thousands of dollars)		— 14,400	

SOIL CONSERVATION SERVICE

WATERSHED AND FLOOD PREVENTION OPERATIONS

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-1072-5-1-301	1986 actual	1987 est.	1988 est.
Program by activities:				
00.00	Watershed operations authorized by Public Law 534		— 9,000	
00.00	Emergency watershed protection operations		— 23,000	
00.04	Small watershed operations authorized by Public Law 566		— 64,000	
10.00	Total obligations		— 96,000	
Financing:				
23.40	Unobligated balance, rescission proposal (R87-13) ..		8,245	
40.00	Budget authority (appropriation rescission proposal R87-13)		— 87,755	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		— 96,000	
72.40	Obligations incurred, start of year			— 30,000
74.40	Obligations incurred, end of year			30,000
90.00	Outlays		— 66,000	— 30,000

This proposal would rescind all unobligated financial assistance funds for the Watershed and Flood Prevention Program operations. No new contracts would be signed for the remainder of 1987 in anticipation of terminating this program as proposed for 1988.

Object Classification (in thousands of dollars)

Identification code	12-1072-5-1-301	1986 actual	1987 est.	1988 est.
25.0	Other services		— 16,670	
25.0	Construction contracts		— 56,500	
26.0	Supplies and materials		— 250	
32.0	Land and structures		— 1,090	
41.0	Grants, subsidies, and contributions		— 21,490	
99.0	Total obligations		— 96,000	

GREAT PLAINS CONSERVATION PROGRAM

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-2268-5-1-302	1986 actual	1987 est.	1988 est.
Program by activities:				
10.0	Cost-sharing assistance (total obligations) (object class 41.0)		— 8,000	
Financing:				
40.00	Budget authority (appropriation rescission proposal R87-14)		— 8,000	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		— 8,000	
72.40	Obligated balance, start of year			— 3,000
74.40	Obligated balance, end of year			3,000
90.00	Outlays		— 5,000	— 3,000

This proposal would rescind all unobligated cost-share funds under this program. No new contracts will be signed for the remainder of 1987 in anticipation of the

complete termination of this program as proposed for 1988.

RESOURCE CONSERVATION AND DEVELOPMENT
(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code 12-1010-5-1-302	1986 actual	1987 est.	1988 est.
Program by activities:			
10.00 Total obligations.....		- 5,000	
Financing:			
40.00 Budget authority (appropriation rescission proposal R87-15).....		- 5,000	
Relation of obligations to outlays:			
71.00 Obligations incurred, net.....		- 5,000	
72.40 Obligations incurred, start year.....			- 2,000
74.40 Obligations incurred, end of year.....		2,000	
90.00 Outlays.....		- 3,000	- 2,000

This proposal would rescind all unobligated financial assistance funds for the Resource Conservation and Development Program. No new contracts would be signed for the remainder of 1987 in anticipation of terminating this program as proposed for fiscal year 1988.

Object Classification (in thousands of dollars)

Identification code 12-1010-5-1-302	1986 actual	1987 est.	1988 est.
25.0 Other services.....		- 100	
25.0 Supplies and materials.....		- 1,630	
26.0 Supplies and materials.....		- 130	
41.0 Grants, subsidies, and contributions.....		- 3,140	
99.0 Total obligations.....		- 5,000	

FOREST SERVICE

LAND ACQUISITION
(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code 12-5004-5-2-303	1986 actual	1987 est.	1988 est.
Program by activities:			
00.01 Land acquisition (general).....		- 46,030	
00.02 Columbia River Gorge.....		- 3,000	
10.00 Total obligations (object class 32.0).....		- 49,030	
Financing:			
23.98 Unobligated balance (rescission proposal R87-16).....		6,600	
40.00 Budget authority (appropriation rescission proposal R87-16).....		- 42,430	
Relation of obligations to outlays:			
71.00 Obligations incurred, net.....		- 49,030	
72.40 Obligated balance, start of year.....			- 41,147
74.40 Obligated balance, end of year.....		41,147	15,670
90.00 Outlays.....		- 7,883	- 25,477

This account funds the acquisition of private lands and interests for public outdoor recreation purposes. Additional acquisition of private lands by the Federal Government will be postponed in 1987 in order to: (1) minimize reducing the current taxable land base for State and local government revenue purposes, (2) permit the Forest Service to concentrate its attention and limited resources on maintaining and improving

their current extensive land base, and (3) help achieve the deficit reduction goals of the Balanced Budget and Deficit Control Act of 1985.

Department of Commerce
GENERAL ADMINISTRATION

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS
(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code 13-2050-5-1-452	1986 actual	1987 est.	1988 est.
Program by activities:			
00.01 Planning grants.....		- 17,100	
00.02 Technical assistance grants.....		- 4,980	
00.03 Development grants.....		- 128,548	
00.04 Economic adjustment grants.....		- 18,340	
00.05 Research and evaluation.....		- 700	
10.00 Total obligations (object class 41.0).....		- 169,668	
Financing:			
23.40 Unobligated balance rescission proposal.....		45,755	
39.00 Budget authority.....		- 125,509	
Budget authority:			
40.00 Budget authority (appropriation rescission proposal R87-17).....		- 123,913	
50.00 Reappropriation.....		- 1,596	
Relation of obligations to outlays:			
71.01 Obligations incurred, net.....		- 169,668	
72.40 Obligated balance, start of year.....			- 152,701
74.40 Obligated balance, end of year.....		152,701	118,767
90.00 Outlays.....		- 16,967	- 33,934

This rescission would eliminate Economic Development Administration grant programs. Supplemental language terminating the guaranteed loan program is included in the supplemental section of Part II.

INTERNATIONAL TRADE ADMINISTRATION

OPERATIONS AND ADMINISTRATION
(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code 13-1250-5-1-376	1986 actual	1987 est.	1988 est.
Program by activities:			
10.00 Total obligations (object class 41.0).....		- 11,400	
Financing:			
40.00 Budget authority (appropriation rescission proposal R87-18).....		- 11,400	
Relation of obligations to outlays:			
71.00 Obligations incurred, net.....		- 11,400	
72.30 Obligated balance, start of year.....			- 3,363
74.40 Obligated balance, end of year.....		3,363	
90.00 Outlays.....		- 8,037	- 3,363

This proposal would rescind Congressionally-provided funds for grants to firms adversely affected by increased imports. The fact that a firm has been harmed by import competition should not in and of itself constitute justification for special government assistance. U.S. trade laws provide remedies against unfair import competition.

EXPLANATION OF OTHER MATERIALS

This section includes the following material:

(a) A list of advance appropriations, as required by the Congressional Budget Act of 1974 (31 U.S.C. 1105(17)), including those resulting from multi-year appropriations requests, a list of appropriations with advance funding provisions, and a list of appropriations with forward funding provisions.

(b) A statement of amendments and revisions to 1987

budget authority requests that were transmitted to the Congress after the 1987 Budget but prior to the transmittal of the 1988 Budget, as required by section 601 of the Congressional Budget Act of 1974.

(c) A statement of the amounts of appropriations requested for Offices of Inspectors General, as required by section 3 of the Federal Managers' Financial Integrity Act of 1982 (Public Law 97-255).

ADVANCE APPROPRIATIONS, ADVANCE FUNDING, AND FORWARD FUNDING FOR 1988

I. Advance appropriations are provided for use in a fiscal year, or more, beyond the fiscal year for which the appropriation act is passed. Advance appropriations in 1988 appropriations Acts will provide funding for programs beyond 1988. Since these appropriations are not available until after 1988, the amounts will not be included in 1988 budget totals, but will be reflected in the budget totals for the fiscal year requested. In certain cases, these amounts represent the second or a subsequent year request for appropriations on a multi-year basis.

The Congressional Budget Act of 1974 (31 U.S.C. 1105(17)) requires inclusion in the budget of "information on estimates of appropriations for the fiscal year following the fiscal year for which the budget is submitted for grants, contracts, and other payments under each program for which there is an authorization of appropriations for that following fiscal year when the appropriations are authorized to be included in an appropriation law for the fiscal year before the fiscal year in which the appropriation is to be available for obligation." In fulfillment of this requirement, the table below lists those accounts authorized to receive, in 1988, advance appropriations for 1989 and beyond and cites the authorizing statute. Also listed in Part A are accounts presented on a multi-year basis that have no specific legal authority. The listing is in two parts: Part A shows the amounts of advance appropriations included in the 1988 budget. Part B is a listing of accounts for which advance appropriations are authorized but not requested in the 1988 budget.

A. Accounts for which advance appropriations are included in the 1988 budget:

- Funds Appropriated to the President: Assistance for the Nicaraguan democratic resistance (Public Law 99-145, sec. 1405) \$110,000 thousand for 1989.
- Department of Defense—Military: all accounts (Public Law 99-145, sec. 1405) \$317,224,603 thousand for 1989.
- Department of Defense—Civil: Payment to military retirement program (Public Law 99-145, sec. 1405) \$11,494,000 thousand for 1989.
- Department of Energy:
 - Atomic energy defense activities (Public Law 99-145, sec. 1405) \$8,500,000 thousand for 1989.
 - Clean Coal Technology, \$100,000 thousand for 1989.
- Department of Health and Human Services, except Social Security:
 - Federal subsidy for St. Elizabeths Hospital, \$24,000 thousand for 1989.
 - Retirement pay and medical benefits for Commissioned Officers, \$100,350 thousand for 1989.
 - Grants to States for Medicaid (42 U.S.C., sec. 1396) \$30,870,000 thousand for 1989 and \$8,500,000 thousand for 1990.¹
 - Payments to Health Care Trust Funds, \$30,306,000 thousand for 1989.
 - Payments to Social Security Trust funds, \$93,291 thousand for 1989.
 - Special benefits for disabled coal miners (30 U.S.C., sec. 921) \$862,590 thousand for 1989 and \$220,050 thousand for 1990.¹

Supplemental security income program (42 U.S.C., sec. 1381) \$12,102,224 thousand for 1989 and \$2,684,000 thousand for 1990.¹

Family support payments to States (42 U.S.C., secs. 601 and 651) \$10,107,868 thousand for 1989 and \$2,673,942 thousand for 1990.¹

Interim assistance to States for Legalization (Public Law 99-603, sec. 204) \$930,000 thousand for 1988, \$655,000 thousand for 1989, \$744,000 thousand for 1990, and \$733,000 thousand for 1991.²

Central Intelligence Agency: Payment to the Central Intelligence Agency retirement and disability fund (Public Law 99-145, sec. 1405) \$144,500 thousand for 1989.

Corporation for Public Broadcasting: Public broadcasting fund, \$214,000 thousand for 1988 and \$228,000 thousand for 1989.

Federal Emergency Management Agency:

Salaries and expenses; defense-related activities (Public Law 99-145, sec. 1405) \$74,217 thousand for 1989.

Emergency management planning and assistance; defense-related activities (Public Law 99-145, sec. 1405) \$193,197 thousand for 1989.

Intelligence Community Staff (Public Law 99-145, sec. 1405) \$25,123 thousand for 1989.

Railroad Retirement Board: Federal payments to the railroad retirement accounts, \$3,100 thousand for 1989.

Selective Service System: Salaries and expenses (Public Law 99-145, sec. 1405) \$26,959 thousand for 1989.

B. Accounts authorized to receive advance appropriations but for which none are requested in the 1988 budget:

Department of Agriculture:

Food program administration (42 U.S.C., sec. 1752).

Food donations program (Public Law 93-29, sec. 209).

Child nutrition programs (42 U.S.C., sec. 1752).

Department of Education. The following activities are authorized to receive advance appropriations (20 U.S.C. 1223 and 29 U.S.C. 703):³

Compensatory education for the disadvantaged.

Impact aid.

Special programs.

Indian education.

Bilingual education.

Immigrant education.

Education for the handicapped.

Special institutions for the handicapped.

Rehabilitation services and handicapped research.

Vocational and adult education.

Student financial assistance.

Guaranteed student loans.

Higher education.

Higher education facilities loans and insurance.

College housing loans.

Howard University.

Education research and statistics.

Libraries.

Education and research overseas (special foreign currency program).

Department of Health and Human Services:

Family social services (Public Law 96-272).

Human development services (Public Law 97-35, sec. 657, Public Law 97-115, sec. 209).

¹ These accounts, for which advance appropriations are requested, are also requesting advance funding (see section II).

² Amounts identified for 1989 through 1991 may be adjusted based on reestimating at the time the budget is submitted for each year. However, the annual amount cannot exceed \$1 billion pursuant to Public Law 99-603.

³ These statutes erroneously refer to "advance funding". Since these statutes describe and clearly intend to provide advance appropriations, the affected accounts are listed here, section I.

II. Advance funding is authority provided in appropriations acts to obligate and disburse funds during a fiscal year from a succeeding year's appropriation. The funds so obligated increase the budget authority for the fiscal year in which obligated and reduce the budget authority of the succeeding fiscal year. Essentially, this is a device for avoiding supplemental requests late in the fiscal year for certain entitlement programs, should the appropriations for the current year prove to be too low. The table below lists those accounts for which advance funding authority is requested in the 1988 budget.

Department of Labor:
 Federal unemployment benefits and allowances.
 Special benefits.
 Black lung disability trust fund.

III. Forward funding is authority provided in an appropriations act to obligate funds in one fiscal year for the financing of ongoing programs of grantees during the succeeding fiscal year. The budget authority for such programs is included in the budget totals for the year in which it is appropriated. This device is often used for education programs, so that grants can be made prior to the start of the school year. The language providing forward funding for education programs will specify that amounts appropriated will not be available until some time into the year of the appropriation (e.g., July 1, 1988) and in most cases will specify that such

amounts will remain available until the end of the succeeding fiscal year. The table below lists those accounts for which forward funding exists or is requested in whole or in part in the 1988 budget.

Department of Education:
 Compensatory education for the disadvantaged.¹
 Special programs.¹
 Education for the handicapped.
 Vocational and adult education.

¹ No new authority is being requested in the 1988 budget for these accounts, for which forward funding has been enacted previously.

In the training and employment area, forward funding is provided in some accounts by providing appropriations for a program year that starts in the fiscal year of the appropriation and extends into the following fiscal year. Program years running from July 1 to June 30 are authorized for training programs under the Job Training Partnership Act, State Employment Service operations under section 6 of the Wagner-Peyser Act, and senior citizen employment programs under Title V of the Older Americans Act. The table below lists those accounts for which such forward funding is requested in the 1988 budget.

Department of Labor:
 Training and employment services.
 Community service employment for older Americans.
 State Unemployment Insurance and Employment Services Operations.

STATEMENT OF AMENDMENTS TO AND REVISIONS IN BUDGET AUTHORITY FOR 1987

(Between the Transmittal of the 1987 and 1988 Budgets)

A statement of all amendments to or revisions in budget authority requested between transmittal of the 1987 budget and the 1988 budget is presented below. This statement is being included in the budget in accordance with the Congressional Budget Act of 1974 (31 U.S.C. 1105(d)).

The modifications to requests for 1987 budget authority that were made through the course of the past year took three forms. If the Congress had not yet acted on a pending request, the President sent amendments to the budget requests transmitted in February 1986. If appropriations had been enacted, the President proposed

either supplemental budget authority or rescission of enacted appropriations.

Amendments and requests for supplemental appropriations are printed in the documents of the House of Representatives and the Senate that are identified in part A of the following listing. The President's proposals for rescissions are included in special messages to the Congress under the Impoundment Control Act of 1974 (Public Law 93-344). Both the special messages and monthly cumulative reports on the items they cover are printed in the Federal Register.

PART A. AMENDED AND SUPPLEMENTAL REQUESTS RELATING TO 1987 BUDGET AUTHORITY

Transmitted to Congress on	Agencies affected	Printed as
Mar. 4, 1986.....	Legislative Branch.....	H. Doc. 99-159
Mar. 4, 1986.....	The Judiciary, Department of Defense—Military.....	H. Doc. 99-172
Mar. 18, 1986.....	Department of Energy, Department of Justice, The District of Columbia.....	H. Doc. 99-184
Apr. 25, 1986.....	International Security Assistance.....	S. Doc. 99-29
May 13, 1986.....	The Judiciary, International Development Assistance, Department of Health and Human Services, Department of State, Department of Transportation, International Trade Commission.	H. Doc. 99-219
May 14, 1986.....	International Development Assistance.....	H. Doc. 99-220
June 6, 1986.....	Veterans Administration.....	H. Doc. 99-232
June 24, 1986.....	Environmental Protection Agency, Federal Communications Commission, National Council on Public Works Improvement.	H. Doc. 99-239
July 28, 1986.....	Department of Labor.....	H. Doc. 99-247
Aug. 14, 1986.....	Legislative Branch, Department of Energy, Department of Housing and Urban Development, Department of Transportation, Department of the Treasury, General Services Administration, Office of Personnel Management.	H. Doc. 99-247
Aug. 15, 1986.....	Department of Health and Human Services.....	H. Doc. 99-259
Sept. 9, 1986.....	National Aeronautics and Space Administration.....	H. Doc. 99-264
Sept. 19, 1986.....	Department of Education, Department of Defense—Military, Department of Health and Human Services, Department of Justice, Department of the Treasury, ACTION.	H. Doc. 99-267
Sept. 30, 1986.....	Department of Defense—Military, Department of Energy, Veterans Administration.....	H. Doc. 99-275

PART B. REQUESTS FOR RESCISSION OF BUDGET AUTHORITY

There are no rescissions currently pending before the Congress.
Rescission proposals associated with the 1988 budget request are
shown in Part II of this appendix.

APPROPRIATIONS REQUESTED FOR OFFICES OF INSPECTORS GENERAL

A statement of the amounts of appropriations requested for the Offices of Inspectors General for Federal departments or establishments is provided. This statement is submitted in accordance with section 201 of the Budget and Accounting Act, 1921, as amended by section 3 of the Federal Managers' Financial Integrity Act of 1982, Public Law 97-255. The following table shows the amount of budget authority requested for 1988 for the Offices of Inspectors General.

[In millions of dollars]

Agency	1986 actual	1987 est.	1988 est.
Agriculture	46.5	44.5	50.4
Agency for International Development	20.1	21.4	22.7

Commerce	12.8	13.2	15.3
Defense	63.7	80.0	85.9
Education	14.6	16.4	18.6
Energy	18.2	21.1	20.8
Environmental Protection Agency	16.7	20.2	21.8
General Services Administration	19.3	21.1	24.6
Health and Human Services	70.4	70.5	78.4
Housing and Urban Development ¹	23.1	25.1	26.1
Interior	15.4	16.3	18.1
Labor	40.5	42.0	45.7
National Aeronautics and Space Administration	5.3	6.4	8.5
Small Business Administration	5.8	6.5	7.3
State	6.2	9.7	14.5
Transportation	26.4	27.2	30.1
Treasury	50.3	51.3	54.4
Veterans Administration	18.5	19.0	20.4
Total	473.8	511.9	563.6

¹ Obligational level.

GOVERNMENT-SPONSORED ENTERPRISES

Part IV contains detailed budgets and explanatory statements of certain Government-sponsored enterprises. All of these enterprises were established and chartered by the Federal Government and are sponsored by a Government agency, although they are privately owned and generally privately financed. These budgets are not reviewed by the President; they are presented as submitted by the enterprises. This section includes:

- The Student Loan Marketing Association (SLMA); a corporation to assist in financing college student loans. It is sponsored by the Department of Education.

- The Federal National Mortgage Association; a mortgage finance corporation supervised by the Department of Housing and Urban Development.
- The banks for cooperatives, Federal intermediate credit banks, and Federal land banks, supervised by the Farm Credit Administration.
- The Federal Home Loan Banks and the Federal Home Loan Mortgage Corporation, supervised by the Federal Home Loan Bank Board.

The Board of Governors of the Federal Reserve System provides calendar year data for its administrative budget for inclusion without further review. The Board's budget schedules and statements are provided here for information.

FEDERAL NATIONAL MORTGAGE ASSOCIATION—Continued

MORTGAGE-BACKED SECURITIES—Continued

Status of Direct Loans (in thousands of dollars)—Continued

Identification code	99-2501-0-3-371	1986 actual	1987 est.	1988 est.
1251	Repayments: Repayments and prepayments.....	14,373,000	14,854,000	13,400,000
1290	Outstanding, end of year	86,359,000	118,237,000	154,093,000

According to accounting practices for private corporations, the mortgages in the pools of loans supporting the mortgage-backed securities are considered to be owned by the holders of these securities. Consequently, on the books of the Federal National Mortgage Association (Fannie Mae), these mortgages are not considered assets and the securities outstanding are not considered liabilities. However, the concepts of the budget of the U.S. Government consider these mortgages and mortgage-backed securities to be assets and liabilities, respectively, of Fannie Mae. For the purposes of this document, therefore, they are presented as assets and liabilities in the accompanying schedules. On the schedule of Status of direct loans for mortgage-backed securities, the items labeled "New loans" and "Recoveries: Repayments and prepayments" are budgetary terms. However, from the Corporation's perspective, these items are "Amounts issued" and "Amounts passed through to the holders of securities", respectively.

The forecast data contained in this material has been developed based on certain general economic assumptions prevalent in November 1986 and should not be construed as an official forecast of the Corporation's position.

Financial Condition (in thousands of dollars)

	1985 actual	1986 actual	1987 est.	1988 est.
Assets:				
Underlying mortgages	48,769,000	86,359,000	118,237,000	154,093,000
Liabilities:				
MBS outstanding	48,769,000	86,359,000	118,237,000	154,093,000

Administration-proposed legislation.—The Administration believes that because of Fannie Mae's government-sponsored status, its securities enjoy an interest rate advantage in the credit markets. This gives Fannie Mae a significant competitive advantage relative to private mortgage conduits. In 1982, the President's Housing Commission concluded that Fannie Mae and other Federal and government-sponsored housing agencies impeded the growth of private mortgage conduits and recommended that the Administration seek to privatize them. In 1983, the President's Private Sector Survey on Cost Control (Grace Commission) reached the same conclusion and made a similar recommendation. The Administration supports the privatization of the Fannie Mae and is studying ways of transitioning Fannie Mae to completely private status. Privatization of Fannie Mae (and Freddie Mac) would eliminate the major hurdle private mortgage conduits face in playing a significant role in the nation's housing credit markets.

While Fannie Mae continues to enjoy its Federal agency status, private mortgage conduits will continue to have difficulty competing with it. In order to mitigate the effects of this unfair competition, the Adminis-

tration is proposing legislation to prohibit Fannie Mae and Freddie Mac from purchasing mortgages in the top quartile of the home price distribution in any housing market (but not to exceed \$153,100—an amount that would not be indexed). This will limit Fannie Mae's continued encroachment on the market served by private mortgage conduits for as long as Fannie Mae maintains its association with the Federal government. As long as Fannie Mae maintains its ties to the Federal government, the Administration will continue to evaluate the competitive effects of Fannie Mae's high leveraging ratio on private mortgage conduits.

FARM CREDIT ADMINISTRATION

BANKS FOR COOPERATIVES

Program and Financing (in thousands of dollars)

	1986 actual	1987 est.	1988 est.
Program by activities:			
Operating expenses:			
1. Operating costs.....	60,877	54,810	56,639
2. Interest on borrowings.....	758,331	570,563	585,804
Total operating expenses	819,208	625,373	642,443
Capital investment:			
1. Loans made	28,987,894	39,564,803	39,276,997
2. Purchase of fixed assets.....	264,488		
Total capital investment.....	29,252,382	39,564,803	39,276,997
Other expenses:			
1. Federal and other income taxes.....	784	1,875	2,489
2. Borrowers' equities retired.....	386,739	369,406	377,984
3. Patronage refunds paid in cash.....	29,516	26,320	28,799
Total other expenses.....	415,471	397,601	409,272
Total obligations	30,487,061	40,587,777	40,328,712
Financing:			
Offsetting collections from: Non-Federal sources.....	29,582,167	40,260,675	37,889,579
Unobligated balance available, start of year: Fund balance.....	1,207,497	1,102,561	1,166,997
Unobligated balance available, end of year: Fund balance.....	1,102,561	1,166,997	1,146,745
Authority to borrow (permanent)	799,958	391,538	2,418,881
Relation of obligations to outlays:			
Obligations incurred, net.....	904,894	327,102	2,439,133
Receivables in excess of obligations, start of year	1,207,497	1,102,561	1,166,997
Receivables in excess of obligations, end of year	1,102,561	1,166,997	1,146,745
Outlays	799,958	391,538	2,418,881

Note.—Estimated years exclude St. Paul District data.

Status of Direct Loans (in thousands of dollars)

Identification code	99-4120-0-3-351	1986 actual	1987 est.	1988 est.
Position with respect to appropriation act limitation on obligations:				
1111 Limitation on direct loans to the public.....				
1131 Obligations exempt from limitation: Direct loans to the public		28,987,894	39,564,803	39,276,997
1150 Total direct loan obligations.....		28,987,894	39,564,803	39,276,997
Cumulative balance of direct loans outstanding:				
1210 Outstanding, start of year		7,533,166	7,176,857	7,162,869
1231 Disbursements: Direct loan disbursements.....		28,987,894	39,561,404	39,276,997

1251	Repayments: Repayments and prepayments.....	-28,814,430	-39,575,392	-37,399,086
1264	Adjustments: Other adjustments, net ¹	-529,773		
1290	Outstanding, end of year	7,176,857	7,162,869	9,040,780

Note.—Direct loan balances exclude nonaccrual loans and sales contracts.

¹ Estimated years exclude St. Paul District data. An adjustment is made in 1986 to account for the lack of data in other years.

The 13 banks for cooperatives are under the general supervision of the Farm Credit Administration. They finance the operations of farmers' cooperatives. The funds to finance these loans are obtained primarily from sales of bonds to the public and from their own capital funds. The bonds issued by the banks are not guaranteed by the U.S. Government either as to principal or interest. All of their expenses are paid from their own income and are not included in the budget of the United States. Included in these expenses is the banks' share of the costs of the Farm Credit Administration.

The Farm Credit Act of 1955 provided for eventual ownership of the banks by farmers' cooperatives and the retirement of the U.S. Government's investment. This was accomplished on December 31, 1968, when the remainder of the U.S. Government capital was retired.

The banks for cooperatives presently operate under authorities contained in title III of the Farm Credit Act of 1971, Public Law 92-180, as amended.

Revenue and Expense (in thousands of dollars)

	1986 actual	1987 est.	1988 est.
Operating income or loss (—):			
Revenue.....	909,991	719,255	743,879
Expense.....	819,208	625,373	642,443
Net operating income, total.....	90,783	93,882	101,436
Nonoperating loss:			
Other gains or losses	-98,511	-14,172	-9,406
Federal and other income taxes	784	-1,875	-2,489
Net nonoperating loss.....	-97,727	-16,047	-11,895
Net income for the year	-6,944	77,835	89,541

Financial Condition (in thousands of dollars)

	1985 actual	1986 actual	1987 est.	1988 est.
Assets:				
Cash	19,904	7,395	10,814	11,011
U.S. securities (par)	48,754	118,350	81,192	86,250
Other securities	1,451,212	2,057,489	1,824,872	1,608,859
Accounts and notes receivable (net)	208,125	271,110	191,448	194,468
Selected assets:				
Deferred charges.....	6,551	5,507	2,273	2,420
Other assets.....	22,084	22,340	251,627	256,665
Loans to cooperatives.....	7,758,006	7,417,972	6,696,963	6,518,611
Assets acquired (net)	6,328	17,495	13,661	11,009
Fixed assets (net)	43,699	40,568	45,025	43,332
Total assets.....	9,564,663	9,958,226	9,117,875	8,732,625
Liabilities:				
Accounts payable and accrued liabilities.....	168,034	227,831	204,435	205,908
Provision for losses.....	122,383	138,601	115,380	121,786
Bonds and notes payable (net).....	8,066,749	8,489,234	7,631,063	7,258,186
Total liabilities	8,357,166	8,855,666	7,950,878	7,585,880
Net equity	1,207,497	1,102,560	1,166,997	1,146,745
Total liabilities and net equity	9,564,663	9,958,226	9,117,875	8,732,625

Analysis of changes in net equity:

Paid-in capital:				
Opening balance.....		832,378	788,635	864,956

Transactions: Acquisitions, net.....	-43,744	76,321	-30,676
Closing balance.....	788,635	864,956	834,280
Retained income:			
Opening balance.....	375,119	313,926	302,041
Net operating income.....	-6,944	77,835	89,541
Patronage refunds.....	-27,925	11,620	13,869
Surplus other.....	-24,413	7,936	13,773
Allocated surplus revolved into capital stock and paid in cash.....	-1,911	-109,276	-106,759
Closing balance.....	313,926	302,041	312,465
Total net equity (end of year).....	1,102,560	1,166,997	1,146,745

NOTES

Estimated years exclude St. Paul District data.

Loans to cooperatives include nonaccrual loans and sales contracts.

Object Classification (in thousands of dollars)

	1986 actual	1987 est.	1988 est.
Personnel compensation: Full-time permanent.....	26,614	23,939	24,475
Personnel benefits: Civilian	6,483	5,339	5,501
Travel and transportation of persons.....	2,657	2,530	2,629
Communications, utilities, and miscellaneous charges.....	5,617	5,065	5,221
Printing and reproduction.....	918	922	946
Other services.....	15,512	-54,974	-56,639
Equipment.....	3,078	3,493	3,511
Lands and structures.....	203,609	13,604	14,356
Investments and loans.....	28,987,894	39,564,803	39,276,997
Interest and dividends.....	758,331	570,563	585,804
Undistributed:			
Operating expenses	60,877	54,892	56,639
Federal and other income taxes	-784	1,875	2,489
Borrowers' equities retired	386,739	369,406	377,984
Patronage refunds paid in cash.....	29,516	26,320	28,799
Total obligations.....	30,487,061	40,587,777	40,328,712

Note.—Estimated years excluded St. Paul District data.

FEDERAL INTERMEDIATE CREDIT BANKS

Program and Financing (in thousands of dollars)

	1986 actual	1987 est.	1988 est.
Program by activities:			
Operating expenses:			
1. Operating costs.....	106,297	89,388	87,508
2. Interest on borrowings.....	1,150,258	730,826	684,710
Total operating expenses	1,256,555	820,214	772,218
Capital investment:			
1. Loans made.....	12,716,416	6,563,207	7,399,648
2. Purchase of fixed and other assets	929,529		371,222
Total capital investment.....	13,645,945	6,563,207	7,770,870
Other expenses: Patronage refunds.....	-26,325	-57,054	-37,521
Total obligations	14,876,175	7,326,367	8,505,567
Financing:			
Offsetting collections from: Non-Federal sources.....	-16,277,496	-6,946,533	-8,367,403
Unobligated balance available, start of year: Fund balance.....	-1,975,690	-1,837,725	-1,603,587
Unobligated balance available, end of year: Fund balance.....	1,837,725	1,603,587	1,645,570
Redemption of debt	1,539,286		
Authority to borrow (permanent)		145,696	180,147
Relation of obligations to outlays:			
Obligations incurred, net.....	-1,401,321	379,834	138,164
Receivables in excess of obligations, start of year	-1,975,690	-1,837,725	-1,603,587
Receivables in excess of obligations, end of year	1,837,725	1,603,587	1,645,570
Outlays	-1,539,286	145,696	180,147

Note.—Estimated years exclude St. Paul District data.

FEDERAL INTERMEDIATE CREDIT BANKS—Continued

Status of Direct Loans (in thousands of dollars)

Identification code	1986 actual	1987 est.	1988 est.
99-4140-0-3-351			
Positions with respect to appropriation act limitations on obligations:			
1111 Limitations on direct loans to the public			
1131 Obligations exempt from limitations: Direct loans to the public	12,716,416	6,563,207	6,467,247
1150 Total direct loan obligations	12,716,416	6,563,207	6,467,247
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	15,624,670	8,700,645	8,070,230
1231 Disbursements: Direct loan disbursements	12,716,416	6,563,207	6,467,247
1251 Repayments: Repayments and prepayments	-15,132,581	-7,193,622	-6,574,954
1264 Adjustments: Other adjustments, net ¹	-4,507,860		
1290 Outstanding, end of year	8,700,645	8,070,230	7,962,523

¹ Estimated years exclude St. Paul District data. An adjustment is made in 1986 to account for the lack of data in other years.

The 12 Federal intermediate credit banks are under the general supervision of the Farm Credit Administration. They serve as banks of discount for agriculture, discounting agricultural and livestock paper for, and making loans to local financing institutions such as production credit associations, agricultural credit corporations, livestock loan companies, and commercial banks. They also provide the production credit associations with necessary supervision and services.

The banks' lending funds are obtained primarily from the sale of bonds to the public and from their own capital funds. The bonds are not guaranteed by the U.S. Government either as to principal or interest. All of their expenses are paid from their own income and are not included in the budget of the United States. Included in these expenses is the credit banks' share of the costs of the Farm Credit Administration.

The banks were originally wholly owned Government corporations set up exclusively as banks of discount; however, pursuant to the Farm Credit Act of 1956, the banks become mixed-ownership corporations and were made responsible for supervising the production credit associations and assisting them to make sound credit available to farmers.

All of the capital stock of the Federal intermediate credit banks, from organization in 1923 to December 31, 1956, was held by the U.S. Government. The 1956 act provided a long-range plan for the eventual ownership of the credit banks by the production credit associations and the gradual retirement of the Government's investment in the banks. This retirement was accomplished in full on December 31, 1968.

The Federal intermediate credit banks presently operate under authorities contained in title II of the Farm Credit Act of 1971, Public Law 92-181, as amended.

Revenue and Expense (in thousands of dollars)

	1986 actual	1987 est.	1988 est.
Operating income or loss:			
Revenue	1,365,352	933,922	882,148
Expense	1,256,555	820,214	772,218
Net operating income, total	108,797	113,708	109,930
Nonoperating income or loss: Other gains or losses (-)	-218,575	-42,509	-35,769
Net income for the year	-109,778	71,199	74,161

Note.—Estimated years exclude St. Paul District data.

Financial Condition (in thousands of dollars)

	1985 actual	1986 actual	1987 est.	1988 est.
Assets:				
Cash	58,468	42,584	31,577	31,800
U.S. securities (par)	225,290	182,196	51,921	70,028
Other securities	1,449,274	2,625,143	1,976,033	1,916,189
Accounts and notes receivable (net)	486,979	341,758	223,261	212,485
Selected assets:				
Deferred charges	26,848	24,817	7,263	6,652
Other assets	46,808	32,048	99,545	102,874
Loans and discounts	15,711,997	12,056,773	9,112,746	8,941,250
Fixed assets (net)	77,671	85,899	63,637	57,950
Total assets	18,083,335	15,391,218	11,565,983	11,339,228
Liabilities:				
Accounts payable and accrued liabilities	534,257	507,732	222,797	208,761
Provision for losses	51,007	84,585	93,596	95,701
Bonds and notes payable (net)	15,522,381	12,961,176	9,646,003	9,389,196
Total liabilities	16,107,645	13,553,493	9,962,396	9,693,658
Net equity	1,975,690	1,837,725	1,603,587	1,645,570
Total liabilities and net equity	18,083,335	15,391,218	11,565,983	11,339,228
Analysis of changes in net equity:				
Paid-in capital:				
Opening balance	1,412,649	1,410,787	1,162,504	1,162,504
Transactions: Acquisitions, net	-1,862	-248,283		5,343
Closing balance	1,410,787	1,162,504	1,162,504	1,167,847
Retained income:				
Opening balance	563,041	426,938	441,083	441,083
Transactions:				
Net operating income	-109,778	71,199	74,161	74,161
Patronage refunds	-26,325	-57,054	-37,521	-37,521
Closing balance	426,938	441,083	477,723	477,723
Total net equity (end of year)	1,837,725	1,603,587	1,645,570	1,645,570

Note.—Loans and discounts include nonaccrual loans and sales contracts.

Object Classification (in thousands of dollars)

	1986 actual	1987 est.	1988 est.
Personnel compensation: Full-time permanent	51,538	47,726	41,650
Personnel benefits: Civilian	13,518	8,504	8,254
Travel and transportation of persons	3,811	3,282	3,256
Communications, utilities, and other rent	9,711	6,280	6,252
Printing and reproduction	2,377	2,084	1,997
Other services	16,102	8,816	18,479
Equipment	8,988	7,696	7,620
Land and structures	929,781	5,000	281,568
Investments and loans	12,716,416	6,563,207	7,399,648
Interest and dividends	1,150,258	730,826	684,710
Undistributed: Operating expenses; patronage refunds	-26,325	-57,054	52,133
Total obligations	14,876,175	7,326,367	8,505,567

Note.—Estimated years exclude St. Paul District data.

FEDERAL LAND BANKS

Program and Financing (in thousands of dollars)

	1986 actual	1987 est.	1988 est.
Program by activities:			
Operating expenses:			
1. Operating cost	512,593	293,804	267,128
2. Interest on borrowings	4,986,067	3,592,516	5,390,028
Total operating expenses	5,498,660	3,886,320	5,657,156
Capital investment:			
1. Loans made	1,660,374	1,238,991	1,453,587
2. Purchase of fixed and other assets	225,414	72,770	158,834
Total capital investment	1,885,788	1,311,761	1,612,421

Other expenses: Provision for losses.....	2,590,629	2,058,720	1,730,886
Total obligations	9,975,077	7,256,801	9,000,463
Financing:			
Offsetting collections from: Non-Federal sources.....	-6,534,421	-7,628,420	-9,107,219
Unobligated balance available, start of year: Fund balance.....	-5,359,648	-2,478,127	-1,687,029
Unobligated balance available, end of year: Fund balance.....	2,478,127	1,687,029	1,352,041
Authority to borrow (permanent)	559,135	-1,162,717	-441,744
Relation of obligations to outlays:			
Obligations incurred, net.....	3,440,656	-371,619	-106,756
Receivables in excess of obligations, start of year	-5,359,648	-2,478,127	-1,687,029
Receivables in excess of obligations, end of year	2,478,127	1,687,029	1,352,041
Outlays	559,135	-1,162,717	-441,744

Status of Direct Loans (in thousands of dollars)

Identification code 99-4160-0-3-371	1986 actual	1987 est.	1988 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitations on direct loans to the public			
1131 Obligations exempt from limitation: Direct loans to the public	1,660,374	1,238,991	1,453,587
1150 Total direct loan obligations.....	1,660,374	1,238,991	1,453,587
Cumulative balance of direct loans outstanding:¹			
1210 Outstanding, start of year	45,935,469	27,357,945	24,117,125
1231 Disbursements: Direct loan disbursements.....	1,660,374	1,876,156	1,876,156
1251 Repayments: Repayments and prepayments.....	4,126,304	-5,116,976	-5,116,976
1264 Adjustments: Other adjustments net.....	-16,111,594		
1290 Outstanding, end of year	27,357,945	24,117,125	20,876,305

Note.—Loans outstanding at end of year do not include nonaccrual loans and sales contracts.

¹ Estimated years exclude St. Paul District data. An adjustment is made in 1986 to account for the lack of data in other years.

The Federal land banks, through the 438 Federal land bank associations, which are located at the local level, make long-term real estate loans to farmers and ranchers. These banks and associations are under the general supervision of the Farm Credit Administration. The funds to finance these loans are obtained primarily from the sale of the banks' bonds to the public and from their own capital funds. These bonds are not guaranteed by the U.S. Government either as to principal or interest. All of their expenses are paid from their income and are not included in the budget of the United States. Included in these expenses is the land banks' share of the costs of the Farm Credit Administration.

The last of the Government capital that had been invested in the banks was repaid in 1947.

The Federal land banks presently operate under authorities contained in title I of the Farm Credit Act of 1971, Public Law 92-181, as amended.

Revenue and Expense (in thousands of dollars)

	1986 actual	1987 est.	1988 est.
Operating income or loss (—):			
Revenue.....	5,128,672	4,082,052	5,939,639
Expense	5,498,660	3,886,320	5,657,156
Net operating income, total	-369,988	195,732	282,483
Nonoperating income: Other gains	-2,384,198	-640,355	-774,373
Net income for the year	-2,754,186	-444,623	491,890

Financial Condition (in thousands of dollars)

	1985 actual	1986 actual	1987 est.	1988 est.
Assets:				
Cash	54,345	49,737	84,892	76,610
U.S. securities (par)	310,475	194,566	83,928	111,736
Other securities	1,676,608	3,813,701	2,890,070	2,847,839
Accounts and notes receivable (net)	2,882,805	2,476,671	2,208,024	2,095,765
Selected assets:				
Deferred charges.....	76,517	5,236	21,957	31,750
Other assets.....	23,860	43,310	933,729	1,279,556
Mortgage loans.....	48,679,562	41,936,617	31,442,447	29,231,984
Delinquent installments, etc.....	575,306	181,060	254,034	225,018
Fixed assets (net)	803,383	1,028,797	956,027	1,010,691
Total assets	55,082,861	49,729,515	38,875,108	36,910,949
Liabilities:				
Accounts payable and accrued liabilities.....	2,558,238	2,006,853	1,697,366	1,600,256
Provision for losses.....	915,640	2,590,629	2,058,720	1,730,886
Bonds and notes payable.....	46,249,343	42,653,906	33,431,993	32,227,766
Total liabilities	49,723,221	47,251,388	37,188,079	35,558,908
Net equity	5,359,648	2,478,127	1,687,029	1,352,041
Total liabilities and net equity	55,082,869	49,729,515	38,875,108	36,910,949
Analysis of changes in net equity:				
Paid-in capital and participation certificates:				
Opening balance.....	2,671,140	2,334,783	1,756,678	
Transactions: Acquisitions, net.....	-336,357	-578,105	-73,885	
Closing balance	2,334,783	1,756,678	1,682,793	
Retained income:				
Opening balance.....	2,688,508	143,344	-69,649	
Transactions: Transfer from provision for losses	209,022	231,630	230,787	
Net operating income.....	-2,754,186	-444,623	-491,890	
Dividends				
Closing balance	143,344	-69,649	-330,752	
Total net equity (end of year)	2,478,127	1,687,029	1,352,041	

Note.—Mortgage loans includes nonaccrual loans and sales contracts.

Object Classification (in thousands of dollars)

	1986 actual	1987 est.	1988 est.
Personnel compensation: Full-time permanent.....	55,217	44,051	43,991
Personnel benefits: Civilian	14,192	10,646	10,452
Travel and transportation of persons.....	4,034	3,469	3,518
Communications, utilities, and other rent.....	11,815	8,626	8,468
Printing and reproduction.....	2,965	2,269	2,262
Other services	28,227	30,137	34,594
Equipment.....	10,950	8,510	8,528
Lands and structures	3,027,469	2,150,524	1,903,136
Investments and loans	1,660,374	1,238,991	1,453,587
Interest and dividends.....	4,986,067	3,607,622	5,390,028
Undistributed operating expenses.....	173,767	151,956	141,899
Total obligations	9,975,077	7,256,801	9,000,463

Note.—Estimated years exclude St. Paul District data.

FEDERAL HOME LOAN BANK BOARD**FEDERAL HOME LOAN BANKS****Program and Financing (in thousands of dollars)**

	1986 actual	1987 est.	1988 est.
Program by activities:			
Operating expenses:			
Administrative expenses	316,880	376,640	433,000
Interest on consolidated obligations.....	7,734,723	8,873,000	10,400,000
Interest on members' deposits	1,640,374	2,500,000	3,400,000
Interest on interbank borrowing	130,664	150,000	150,000
Interest—other	37,940	40,360	50,000
Dividends on capital stock.....	885,708	940,000	1,000,000

